

WORLD BRIEFS

Nightmares Revisited: South African Killers Go Free

By Bill Keller

PRETORIA — When he was still a policeman and not yet a mass murderer, Barend Strydom once stole a black man's head from the scene of a highway wreck and posed for a snapshot of himself, the white avenger, holding the grisly prop aloft in one hand and a butcher's knife in the other. On his big day, however, Mr. Strydom eschewed the knife for a 9mm pistol. He walked into the crowded lunch-hour streets of central Pretoria in November 1988, smiling as he methodically shot every black person he encountered. He hit 22, killing 7, before a security guard overwhelmed him.

including acts committed by government officials and others never charged. The slat-clearing has given South Africans of both races occasion to revisit their nightmares from the years of race war.

The most notorious of the anti-apartheid terrorists freed Monday was Robert McBride, who detonated a car bomb outside a crowded bar in 1986 in hopes of killing off-duty army officers. He killed three civilian women instead.

Mr. McBride was greeted as a liberation hero outside his prison in Durban by an ecstatic crowd of African National Congress leaders and supporters.

A few hours before Mr. Strydom slipped out of Pretoria Central Prison, he was preceded by Mthetheli Mncube, a congress warrior who helped set fatal land mines in the Northern Transvaal.

"I've got no regrets at all for what I did in good faith," said Mr. Mncube, 32. "When we were fighting against the regime, we knew of course that some innocent lives would be lost."

Most of the victims were blacks, like the farmworker who stumbled over one of Mr. Mncube's mines, or the shopper slain by another newly released prisoner for failing to honor a consumer boycott.

The African National Congress contends that these prisoners are effectively prisoners of war whose acts were justified because more peaceful means of political activity were banned. The ANC does not regard Mr. Strydom — a member of a little-known paramilitary faction called the White Wolves — as a political prisoner, but as a racist psychopath.

"There's no guarantee that if he comes out he will not shoot more black people," said Cyril Ramaphosa, the ANC secretary general, before the release. The ANC guerrillas, he said, acted under the discipline of the organization. "McBride will not go and plant another bomb," he said.

Mr. Strydom's crime was so cold-blooded that for a time even his comrades in the white separatist fringe kept their distance.

After listening to his description of blacks as subhumans and his explanation that he was trying to incite a race war, the judge pronounced Mr. Strydom beyond rehabilitation and sentenced him to death eight times. (The eighth victim had been killed as target practice before his big rampage.)

His sentence was later commuted to life imprisonment. On Monday, however, representatives of several rightist groups were on hand to honor a man they consider true to his convictions, if a bit extreme in his methods.

While many whites have reacted with horror at the liberation of so many anti-apartheid guerrillas, most of Mr. Strydom's supporters said it was only fair, and some grudgingly applauded the African National Congress for indirectly assuring Mr. Strydom's release.

"I'm glad Robert McBride is out, and the others," said Trudie Rautenbach, Mr. Strydom's mother-in-law, who waited with a delegation from the quasi-Nazi Afrikaner Resistance Movement. "Everyone wants to fight his own battle. It all depends who is the strongest at the end of the day."

In the waiting crowd Mr. Strydom's admirers applauded his marksmanship, the consistency of his views, the drama of his courtroom defiance. But even some of the rightists who waited to applaud his release, however, fumbled to explain the political logic of a random killing spree.

"As far as I'm concerned, all these guys are post-traumatic stress guys," said Kees Vermeulen, 43, head of the World Apartheid Movement, which is waiting for the AIDS virus to decimate the black population so it can restock Africa with whites.

Robert van Tonder, the leader of a tiny group of white separatists called the Boer State Party, suggested that Mr. Strydom was "a very sensitive young man" who was "destabilized" when his police work required him to visit crime scenes where whites had been killed by blacks. Mr. Strydom was asked to leave the police force after he tried to have his "beheading" snapshot blown up to poster size.

The killer's mother-in-law scoffed at the talk of instability. "He wasn't mad and just ran and shot," she said. "It was very well planned to make a point." The point? "We will never bend our knee before a black government in this country."

Among a delegation of 10 students from the University of Pretoria who came to glimpse Mr. Strydom, there was unanimous support for his goal of a white South Africa, but some misgivings about the means.

"Killing people, I can't say that's right," said Gerit Goosen, 20, a business student. "But what he stands for, that's fine with me."

Mr. Goosen added: "I think it's fair to support him like all the black people supported Nelson Mandela when he got freed."

Power Cut in Malaysia and Singapore

KUALA LUMPUR (AP) — Malaysia and Singapore suffered large-scale power cuts Tuesday, leading to serious traffic jams and office closings in Malaysia.

In Singapore, the Public Utilities Board said that a short-circuit and fire caused severe damage at the city-state's biggest power station and that it would be days before electricity was completely restored. It reported a major power outage in the north, east and west.

Electricity supplies to most parts of peninsular Malaysia were disrupted for more than seven hours, according to Energy Malaysia Ltd. The minister of works, energy and post, Sanglimuthu Sunny Velu, said lightning had struck a power station in Pahar, 300 kilometers (180 miles) northeast of Kuala Lumpur, shutting down national grid supply lines.

Senate Signals START Pact Approval

WASHINGTON (AP) — The Senate on Tuesday signaled strong support for the treaty ratifying deep arms cuts negotiated with the former Soviet Union, voting by 87 to 6 to brush aside an attempt by conservative Democrats to delay action on the measure.

The treaty, signed more than a year ago by Presidents George Bush and Mikhail S. Gorbachev, would cut by almost a third the U.S. and former Soviet arsenals of long-range missiles and bombers over the next seven years. The action cleared the way for the Senate to approve the strategic arms reduction treaty before Congress adjourns Monday. A two-thirds majority is necessary for approval.

Sicily Police Hold Mafia Hit Suspect

CALTANISSETTA, Sicily (Reuters) — The police said Tuesday they were holding one of the men who blew up a leading anti-Mafia force and five bodyguards two months ago.

It was reported to be a major breakthrough in the inquiry, as a stone in the path of the Mafia, a petty criminal, had been caught in the carrying out of a massacre over the murder of Judge Paolo Borsellino. It was up by a car bomb planted outside his mother's apartment July 9, 1992. If Mr. Scaramino's role is confirmed, it would be the first time a long series of Mafia attacks against top Italian figures that the police managed to get hold of one of the hit-men involved.

Late Snag to Mozambique Peace Pact

ROME (NYT) — Two days before the planned signing of a treaty to end 16 years of civil war in Mozambique and bring food to millions of starving people, Italian mediators on Tuesday said that the rebel leader Afonso Dhlakama had refused to attend Thursday's planned signing.

Mr. Dhlakama, head of the Mozambican National Resistance Movement, agreed at a Sept. 17 meeting with Joaquim Chissano, Mozambique's president, to sign the accord. But the Italian Foreign Ministry said he expressed "strong reservations concerning some points," and would not be in Rome on Thursday. Mr. Chissano was reportedly already on his way to Rome. A Resistance Movement spokesman in Lisbon said that Mr. Dhlakama would go there only when all the paperwork was finished.

In a First, Angolans Vote for Leader

LUANDA, Angola (WP) — After five centuries of colonial rule and a decade and a half of a civil war that was a proxy battleground for distant superpowers, Angolans did something new Tuesday: They voted.

Huge lines began forming at polling places shortly after daybreak as the first election in the nation's history pitted Jonas Savimbi, the anti-Communist insurgent who fought a guerrilla war with the help of United States money and South African troops, against José Eduardo dos Santos, the untested former Marxist president who defended his dictatorship with Soviet money and Cuban troops. Mr. Savimbi and Mr. dos Santos signed a peace agreement 16 months ago.

The two-day election, in which 4.8 million are eligible to vote, was being monitored by 400 UN observers, augmented by an additional 400 observers from church, civic and nongovernmental groups.

Corrections

A poll of Europeans' attitudes reported in Monday's editions was conducted for the International Herald Tribune and CNN International. The plane that crashed Monday near the Katsandu airport was part of the Pakistan International Airlines fleet.

TRAVEL UPDATE

Millions May Seek Russian Passports

MOSCOW (Reuters) — Russia's Foreign Ministry expects up to 20 million people to apply for passports to travel abroad when exit visa restrictions are lifted Jan. 1, a ministry official said Tuesday.

"The clamoring queue of applicants for passports will immediately reach 15 to 20 million people," the head of the consular service, Vasily Yegorov, told Novosti's Gazeta newspaper. He said, however, that the expected flood of applications would not necessarily lead to a mass exodus. Currently, Russian passport holders who want to travel abroad must apply to the Foreign Ministry for exit visas for each trip.

Flooding in Genoa led the city to ask the government to declare a state of emergency. The flooding Sunday from torrential rains in Genoa, Italy's sixth largest city, swept away cars and trees and damaged buildings. A boy and his grandmother drowned.

France put a 20-franc coin into circulation Tuesday in a move to replace gradually the paper bill of the same value, and a new one-franc piece to commemorate the 200th anniversary of the establishment of the French republic. The 20-franc coin, worth about \$4, is made of three concentric circles of white, yellow and white metal, and depicts the monastery of Mont Saint-Michel. (AP)

The Weather

Forecast for Thursday through Saturday



Legend: Sunny, Partly Sunny, Cloudy, Rain, Heavy Rain, Snow, Heavy Snow, Ice, Fog, Haze, Wind

North America: A strong storm will cross the North Atlantic on Tuesday and Wednesday, bringing heavy rain and strong winds to the East Coast. A cold front will move in from the north on Thursday, bringing a brief respite from the rain. A strong storm will cross the Pacific Northwest on Thursday and Friday, bringing heavy rain and strong winds.

Europe: A strong storm will cross the British Isles Friday and Saturday, bringing heavy rain and strong winds. A cold front will move in from the north on Sunday, bringing a brief respite from the rain.

Asia: Tokyo will have showers Thursday, but also a bright sunny day Friday. Heavy rain will continue in the south of the island of Sumatra, and in the south of Sumatra, and in the south of Sumatra.

Africa: Cape Town will have showers Thursday, but also a bright sunny day Friday. Heavy rain will continue in the south of the island of Sumatra, and in the south of Sumatra, and in the south of Sumatra.

Latin America: Buenos Aires will have showers Thursday, but also a bright sunny day Friday. Heavy rain will continue in the south of the island of Sumatra, and in the south of Sumatra, and in the south of Sumatra.

North America: Chicago will have showers Thursday, but also a bright sunny day Friday. Heavy rain will continue in the south of the island of Sumatra, and in the south of Sumatra, and in the south of Sumatra.

Europe: London will have showers Thursday, but also a bright sunny day Friday. Heavy rain will continue in the south of the island of Sumatra, and in the south of Sumatra, and in the south of Sumatra.

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Communists Tap Well of Nostalgia in Romania

By Peter Maass

BUCHAREST — The reasons for the outcome of Romania's general elections became clearer as Ruxandra, a neatly dressed school teacher, knelt at an unmarked grave in the military cemetery here, lighted a yellow candle, crossed herself and recited a prayer for Nicolae Ceausescu, the president who was executed on Christmas Day, 1989.

"I think he was a patriot," she said. "I think a lot of people miss him now."

It might seem odd that there are Romanians with warm feelings for Mr. Ceausescu, who set standards for brutality in Communist Eastern Europe. But almost three years after his overthrow, dozens of Romanians make daily pilgrimages to put flowers and candles on the dirt graves, about 45 meters (150 feet) apart, of the late dictator and his wife.

"If he was alive, I would be able to buy sugar and have a job," said Jeni Constantin, a homeless woman who showed the way to the graves and then begged for money. "Why do you call him a dictator? When he was alive, a kilo of meat cost 35 lei. Now it costs 1,000 lei."

Such sentiments reflect doubts that run strong in impoverished Romania. Confounding hopes of



Emil Constantinescu, the Democratic Convention candidate, at his headquarters in Bucharest on Tuesday. Returns showed him badly trailing Ion Iliescu, the incumbent, in the presidential voting.

Western governments, Romanians gave an overwhelming vote of support on Sunday to Ion Iliescu, a former leading Communist who appears headed for a second term as president.

[With more than 75 percent of votes counted, Mr. Iliescu had 48.2 percent, compared with 30.5 percent for his nearest rival, Emil Constantinescu of the Democratic Convention, Reuters reported Tuesday from Bucharest. But the challenger vowed to contest the presidency in an Oct. 11 runoff vote.]

The Democratic National Salvation Front, which supports Mr. Iliescu and is dominated by former Communists, won enough votes in the parallel general election to become the largest party in parliament. The Central Election Office said the Salvation Front was leading the parliamentary contest with 28.1 percent to 18.8 percent for the Democratic Convention.

Romania, which underwent Eastern Europe's most violent revolution as the Soviet bloc disintegrated, apparently has ensured that for the next few years it will be the

only country in the region to be led by a former top Communist. Mr. Iliescu supports the creation of a market economy and democracy, but his approach is slow-paced and the voters seem to like it that way. Opposition politicians blame Romania's unique political situation on the ghost of Mr. Ceausescu. His repression was so total, they say, and the country was so isolated, that even three years after his firm-squeezed execution, people are afraid of taking risks. "Ceausescu's political system was designed to make people dumb," said Dan Petrescu, an official of the Democratic Convention, the coalition of about 20 anti-Iliescu parties that was defeated in the election.

Paris Moves to End Isolation in NATO

By Alan Riding

PARIS — France, which has long promoted the idea of an independent European defense capability, suggested Tuesday that it was ready to participate more actively in NATO's efforts to find a new role for the Atlantic alliance in a post-Cold War world.

Addressing the opening session of an international strategic conference, Defense Minister Pierre Joxe said "France must be present in decision-making and discussion forums where present-day crises are managed and where our future security is worked out."

He said France would stay outside NATO's integrated military command — it withdrew in 1966 — and would retain an independent nuclear deterrent. But he added, "Why not imagine that France will participate more tomorrow than yesterday in political-military discussions?"

Speaking before an audience of senior alliance defense officials, Mr. Joxe's remarks were interpreted as an offer by France to end both its isolation within the North Atlantic Treaty Organization and its bickering with Washington over Western Europe's new defense role.

A founding member of the alliance, France attends NATO summit meetings as well as annual foreign ministers' meetings, but until now it has sent no representative to regular meetings of either NATO defense ministers or military officers who are stationed at the alliance's Brussels headquarters.

Further, after the end of the Cold War, France began arguing that, since the NATO had fulfilled its primary objective of averting a So-

viet aggression, Western Europe should prepare for a withdrawal of American forces by building up its own defense capability.

As a step in this direction, France and Germany agreed this spring to form the nucleus of a European army — a so-called Euro Corps — that would comprise 35,000 troops and a joint command by 1995. This decision was in turn criticized by the United States as a potential threat to NATO.

In his speech on Tuesday, however, Mr. Joxe not only disclosed France's new interest in joining political-military debates in NATO, but also stressed that the Euro Corps's first duty was to defend the alliance and that its troops would come under NATO command in case of emergency.

Speaking for the United States, however, Lewis Libby, a deputy under secretary of defense, sounded a skeptical note, emphasizing that only NATO had an all-embracing security structure and suggesting that the Euro Corps should pass a simple test: "Does it advance our security?" he asked.

As significant as Mr. Joxe's call for closer military ties between France and NATO, though, was his implicit recognition that the alliance should also play an increased political role. In the last three years, France has resisted NATO's efforts to establish political links with former East bloc countries.

"It seems to me that, in the long run, the relationship between France and NATO will develop all the more easily as the Atlantic organization undergoes real change," Mr. Joxe said, adding that "it should progressively acquire political-military structures adapted to the new issues at stake."

Major Cites Monetary Faults

He Vows to Put U.K. Economic Interests First

Compiled by Our Staff From Dispatches

LONDON — Prime Minister John Major, battling to defend his European policy against attacks from within his own Conservative Party, said Tuesday that he would not be distracted by "froth and bubbles."

Mr. Major spoke amid fears among analysts and politicians that Britain was edging increasingly toward isolation in Europe partly because of a lack of clarity over Mr. Major's commitment to European monetary and political union.

He dismissed criticism from within his party, where many welcomed the withdrawal from the EC exchange rate mechanism, saying it

would let Britain run its own recession-hit economy purely with its own needs in mind. "This is a time for a clear, cool and careful calculation of what the British interest is," he said. "I'm not going to be distracted by froth and bubbles. I'm going to deal with the substantive issues."

He said he would eventually get other European leaders to acknowledge faults in Europe's currency system. "It is self-evident that at present the exchange-rate mechanism has what I called fault lines in it," he said. "I know that, our European partners know that, and they will acknowledge that, and work will need to be done on that. It will take some time."

Mr. Major, who will be conferring with other EC heads before an emergency Community summit meeting on Oct. 16, argued that the problems were Britain's alone. "I think we can draw together the threads of the difficulties that exist right the way across Europe, not just in this country, and then we can make the right judgment on the way to proceed," he said.

On Wednesday, Mr. Major is to meet with President François Mitterrand in Paris and with the Danish prime minister, Poul Schlüter, in London.

On Monday, Community finance ministers rejected attempts by Britain, which holds the EC's rotating presidency, for an overhaul of the exchange-rate mechanism.

That, Mr. Ingham said, was "because Europe is a Franco-German camp."

"It is organized for their benefit," he said, "and there is no reason why we should go along with it." (Reuters, AP, AFP)

Instead, the chancellor of the Exchequer, Norman Lamont, who is the chairman of the meeting in Brussels, read out a statement endorsing the current system.

Mr. Lamont, after complaints by German officials about British criticisms, also said that he was "sorry if anything has been said that greatly upsets them."

During the exchange-rate crisis, British newspapers had likened the German central bank to the Nazi era.

"The Germans are getting too big for their jackboots," said Sir Teddy Taylor, a member of Parliament and leader of the dissident group that has pledged to block parliamentary ratification of the Treaty on European Union.

The press secretary to Margaret Thatcher when she was prime minister, Sir Bernard Ingham, said Tuesday that Britain should have nothing to do with the exchange-rate mechanism because it was organized for French and German benefit.

In a BBC interview, he described the mechanism as a "useless institution." The Germans, he said, had "ditched completely the lira and the pound, but they didn't ditch the franc."

That, Mr. Ingham said, was "because Europe is a Franco-German camp."

"It is organized for their benefit," he said, "and there is no reason why we should go along with it." (Reuters, AP, AFP)

Labor Party Leader Ridicules Major

LONDON — Five months after the Labor Party absorbed its fourth straight national election defeat by the governing Conservatives, Labor's new leadership went on the attack Tuesday, hoping to capitalize on Prime Minister John Major's growing problems over Europe and the economy.

At the party's annual conference, John Smith, who assumed leadership of the party last summer, turned his wit on Mr. Major and Norman Lamont, the chancellor of the Exchequer. He called them "the Laurel and Hardy of British politics. Another fine mess they have got us into!"

Mr. Smith painted Mr. Major as vacillating and indecisive in polling Britain out of the European Monetary System. "The opt-out prime minister is leading a do-nothing government off the European stage," Mr. Smith said, as he scoffed at "a government gripped by indecision, paralyzed by fear, and a prime minister plodding on to disaster."

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CAMPAIGN '92 / THE WORLD AT LARGE

Where Bush and Clinton Veer: Adjusting to Post-Cold War Realities

By Don Oberdorfer
Washington Post Service

WASHINGTON — The United States is likely to pursue an activist foreign policy in keeping with the alliances and global responsibilities of recent decades whether George Bush or Bill Clinton is elected in November. But Mr. Clinton, as the outsider, promises a number of major shifts to deal with problems of the post-Cold War world.

Foreign policy has played a relatively minor role in a campaign dominated by economic and social issues. Mr. Bush has said little about it in his campaign speeches except to take credit for Operation Desert Storm and for ending the threat of nuclear war, and to contrast his experience as commander in chief with Mr. Clinton's experience as "leader of the Arkansas National Guard."

Mr. Clinton, while also saying little in his campaign appearances, has sought to establish his foreign policy credentials by making three major speeches on the subject and issuing more than 20 statements on a variety of overseas questions since June.

To prepare himself for potential debates with Mr. Bush as well as to prepare for the presidency, Mr. Clinton has taken part recently in at least a dozen unpublicized briefings by experts. He also is given daily summaries of foreign policy news and regular updates by campaign aides and experts on overseas topics. Early this month, Mr. Clinton received a foreign policy briefing from the director of central intelligence, Robert M. Gates.

The replacement of Mr. Bush by Mr. Clinton would bring a generational change in the presidency, from a leader whose view of the world was shaped in World War II and its immediate aftermath to one who came to maturity during the trauma of the Vietnam War and thereafter. Even so, their positions on many current issues are surprisingly similar.

In a number of areas, including aid to the former Soviet Union, the "no-fly zone" in southern Iraq, the continuing Middle East peace process and proposed warplane sales to Taiwan and Saudi Arabia, Mr. Clinton has announced positions nearly identical to Mr. Bush's.

'America must regain its economic strength to play a role as world leader.'

Bush's, sometimes ahead of administration announcements.

This has given protective cover for the administration, while projecting an image of bipartisanship for Mr. Clinton and shielding him from charges of interfering with U.S. initiatives. It also suggests a great degree of continuity in at least the early phases of a Clinton administration.

At the same time, Mr. Clinton has echoed congressional Democrats in sharply criticizing Mr. Bush for "coddling" China and other human rights violators, for initially withholding housing loan guarantees from Israel as a pres-

sure tactic in an earlier stage of Mideast maneuvering and for stopping the war against Iraq before destroying more of Saddam Hussein's military forces.

Mr. Clinton's central criticism of Mr. Bush's foreign policy is that it has failed to adjust to a world that has changed with astonishing speed as the Cold War ended and new problems arose. Rather than define a new role for the United States, Mr. Clinton charged last month, Mr. Bush's policy has been "underclass, reactive and erratic."

The key to U.S. diplomatic and military engagement in the 1990s, Mr. Clinton has declared repeatedly, is strengthening the domestic economy, a campaign theme that resonates well in a time of economic trauma.

Instead of giving this point an "America first" or isolationist tinge, Mr. Clinton has wrapped it in internationalism, saying: "America must regain its economic strength to play a proper role as leader of the world. And we must have a president who attends to prosperity at home if our people are to sustain their support for engagement abroad."

Mr. Clinton has promised to give greater emphasis to economic aspects of foreign affairs by creating an Economic Security Council in the White House similar to the National Security Council. While promising to champion open markets and defend U.S. interests, he has avoided protectionist rhetoric.

Mr. Bush, since being jolted by polls showing the public thinks he has neglected the economy, also has placed heavy emphasis on economic,

frequently describing his overseas activities as a drive to expand or protect American jobs.

In his latest economic program, outlined in Detroit earlier this month, Mr. Bush emphasized competition abroad as "the defining challenge of the 1990s" and said he would seek "to turn our strength as a world power to our advantage as an economic power."

In the same address he announced as a future goal the establishment of additional free trade agreements binding the U.S. market to the countries of Latin America, Eastern Europe and Asia.

Aided by the collapse of communism in the Soviet Union, Mr. Clinton has wooed back many of the Democratic "neoconservative" foreign policy thinkers who had failed to support earlier Democratic nominees or joined Republican administrations since the Vietnam War. The re-establishment of Democratic unity on foreign policy may have significant future impact, whether Mr. Clinton wins or loses.

Mr. Clinton appears comfortable with the use of U.S. force abroad. He supported Operation Desert Storm to drive Iraq from Kuwait, although his statements were tepid and tentative at first, when many Democrats in Congress opposed military action, and became increasingly emphatic later.

In one of the few non-domestic statements in his acceptance speech at the Democratic National Convention in July, Mr. Clinton extolled an America "with the world's strongest defense, ready and willing to use force, when necessary."

In a series of statements this summer on

Yugoslavia, Mr. Clinton took positions slightly ahead of administration policy regarding the use of force, including UN-authorized air strikes, to open the Sarajevo airport to relief supplies, to enforce the UN embargo against Serbia and to end atrocities in Serbian detention camps.

After attacking an early statement as "reckless," the White House abruptly ended its criticism because Mr. Clinton's statements were very close to the administration's evolving policies.

Like the administration, Mr. Clinton advocated the use of U.S. force in Bosnia only as

'We must have a president who attends to prosperity at home.'

part of a multilateral effort worked out through the United Nations. "I think under almost all conceivable circumstances, not all but almost all, we ought to be working with and through the United Nations and with other nations" when considering the use of U.S. military forces overseas, Mr. Clinton said in July.

Mr. Bush and Mr. Clinton have recently endorsed the idea of providing small numbers of troops that could be called upon on short notice as part of a multinational effort by the United Nations in emergency situations.

In several speeches, Mr. Clinton has grappled with the question of how and when to engage U.S. diplomacy and military power

abroad in the post-Cold War era. Contrasting his views with the expansive visa of President John F. Kennedy's Inaugural Address in 1961, Mr. Clinton said in April that "America's challenge in this era is not to bear every burden, but to tip the balance" in global affairs. This suggests a selective and strategic use of U.S. influence in close relationship to that of other nations.

Mr. Clinton has said repeatedly that, despite all difficulties, only the United States remains the ability to lead other nations on many key issues. Criticizing Mr. Bush for failures of leadership, Mr. Clinton has said he would give higher priority to advancement of democracy and human rights abroad, improvement in the global environment and the checking of weapons proliferation.

Mr. Bush is far ahead of Mr. Clinton in terms of foreign policy experience. Even before becoming president, Mr. Bush had been to 72 countries in every part of the world and amassed a long diplomatic resume. He is on personal terms with the leaders of most major nations.

Mr. Clinton studied international affairs at Georgetown University's School of Foreign Service as an undergraduate, and obtained a further introduction to the subject as a Rhodes scholar in Britain in 1968-70. As governor, he made three trips to Japan and other East Asian countries, two to Western Europe and one to the Soviet Union, mostly to solicit international business for Arkansas. While out of office in 1981, he traveled to Israel.

ELECTION VOTES

Does Distrust Breed Untrustworthiness?

WASHINGTON — Henry Stimson, the statesman who was greatly admired by the young George Bush, said that the chief lesson he had learned in a long life was this: "The only way to make a man trustworthy is to trust him; and the surest way to make him untrustworthy is to distrust him and show him your distrust."

This might well be the problem with the presidential race this year. Maybe if the American public showed more trust in their candidates, the candidates might seem more trustworthy.

Or maybe not.

No matter how narrowly the integrity issue is slanted in surveys, great gobs of American voters seem to have decided that they are going to be stuck with a president they don't much trust.

The overpowering aroma of mendacity is in the air, and George Bush, Bill Clinton and Ross Perot have accomplished something that seemed impossible: They have made cynical American voters even more cynical.

The Time Magazine cover story this week, "Lying," asks: "Is anyone telling the truth in this campaign? According to a Time/CNN poll conducted last week, many Americans think not. Sixty-three percent have little or no confidence that government leaders talk straight. Seventy-five percent believe there is less honesty in government than there was a decade ago. Forty percent say George Bush does not usually tell the truth, and 36 percent say that about Bill Clinton."

David Letterman, the comedian, took note of voter peevishness. "You spend a week painting 'Ross Perot for President' on your family car and he drops out. You spend a week scraping 'Ross Perot for President' off your family car and he's back in." (NYT)



MAKING HIS POINT — Vice President Dan Quayle gesturing during a speech Monday in Colorado Springs.

Fewer Give More to Political Campaigns

WASHINGTON — A smaller percentage of Americans contributes an increasingly large proportion of the funds raised by political campaigns, while volunteerism plays a far smaller role in determining the outcome of elections, according to a study released Tuesday.

The study, based on a random survey of 15,000 Americans in 1989, also found that income and education were better predictors of an individual's participation in political activities than was race.

Of people whose annual income is \$125,000 or more, 31.9 percent were "very active" in the political process — that is, participating in political organizations and votes. Only 5.3 percent in that income group were completely "inactive." For those with less than \$15,000, 4.3 percent were considered "very active," while 22.2 percent were inactive. (LAT)

Quote-Unquote

Ross Perot: "The American people are really bright. The American people want to know what's going on." (NYT)

Away From the Hustings

- Former Governor George C. Wallace suffered a setback in his struggle to overcome a life-threatening blood infection, officials at Jackson Hospital in Montgomery, Alabama, said. They said Mr. Wallace, 73, had experienced a slight drop in blood pressure, fluid had been detected in his lungs, and he remained in critical condition.
- A legislative candidate fired five shots into his opponent's home, wounding the man's wife, said the sheriff in Maitland, Florida. Eric Kaplan, the Democratic candidate for a state House seat in suburban Orlando, was arrested and charged with attempted murder in the attack that wounded Judith Starks, the wife of Representative Robert Starks.
- A panicked 500-pound gorilla bit two zookeepers at the Bronx Zoo in New York, apparently after he wandered into an adjoining walkway for workers as he was being moved from his living area, zoo officials said.
- The dissolving of New Jersey's high-risk insurance pool for drivers is to enter its final phase at midnight Wednesday when 720,000 drivers earlier shifted from the state pool into a transition program will begin entering the private automobile insurance market as their present policies expire over the next year.
- Classes resumed in Detroit public schools after a compromise ended a strike that had idled 10,500 educators and 168,000 students since Aug. 31.
- An experimental aircraft has flown maneuvers at a 70-degree angle of attack, the Pentagon announced. The development involving a plane known as the X-31 is important because most aircraft operate beyond their aerodynamic lift limit at such extremely sharp angles, spinning or tumbling out of control. Other advanced U.S. fighter aircraft commonly do not exceed 20 to 45 degrees, the Pentagon said.
- A plan to allow hazardous waste to be put into landfills along with normal garbage has been abandoned by the Environmental Protection Agency following criticism from lawmakers and state officials.
- New York police officers who use racial slurs may be fired, the city's acting police commissioner said in announcing disciplinary action against officers at a raucous police union rally at City Hall. (AP, NYT)

A Who's Who of the Old and New of Clinton's Foreign Policy Advisers

Washington Post Service

WASHINGTON — An administration led by Bill Clinton would bring to office new faces — as well as many familiar faces — in the operation of U.S. foreign policy, according to officials close to his campaign.

Despite much speculation, there is no solid information about who would probably be picked as secretary of state, secretary of defense and national security adviser in a Clinton government. A half-dozen people who have worked closely with Mr. Clinton on foreign policy said they had never heard him discuss his possible choices, and several said they doubted that he had given any serious thought to the subject.

The foreign policy formulation aspect of the campaign has been managed by Anthony Lake and Samuel R. Berger. Mr. Lake, a professor at Mount Holyoke College, was State Department director of policy planning and a close aide to Secretary of State Cyrus R. Vance in the Carter administration. Mr. Berger, who was Mr. Lake's deputy, is a Washington lawyer who is on leave from his firm.

Working closely with them since the Democratic National Convention has been Leon Fuerth, foreign policy assistant to the vice presidential nominee, Senator Al Gore. Mr. Lake, Mr. Berger and Mr. Fuerth confer by conference call each morning with campaign officials in Little Rock, Arkansas.

Three campaign-paid foreign policy officials are at Little Rock headquarters coordinating information for Mr. Clinton, the Arkansas governor, and Mr. Gore, who is from Tennessee. They are: Nancy Soderberg, who was foreign policy aide to Senator Edward M. Kennedy, Democrat of Massachusetts; Michael E. Chapman, who was foreign policy aide to Representative

Some of the most active contributors, according to campaign aides, have been Madeleine Albright, John Holum, Michael Mandelbaum, Will Marshall, and Richard Schifter. Ms. Albright, foreign policy assistant to Vice President Walter F. Mondale, is now a professor at Georgetown University. Mr. Holum, a Washington lawyer, met Mr. Clinton in the 1972 McGovern presidential campaign and subsequently served on the State Department policy planning staff under Mr. Lake.

Mr. Mandelbaum, a Russian studies expert at the Council on Foreign Relations and the Johns Hopkins School of Advanced International Studies, met Mr. Clinton during studies in England in the late 1960s. Mr. Marshall, who worked closely with Mr. Clinton on the Democratic Leadership Council, is director of the council's Progressive Policy Institute. Mr. Schifter was assistant secretary of state for human rights and humanitarian affairs in the Reagan and Bush administrations.

Also listed by campaign aides as very active are David Aaron, Richard Gardner, Robert E. Hunter and Penn Kemble. Mr. Aaron was deputy national security adviser in the Carter administration. Mr. Gardner, formerly U.S. ambassador to Italy, is a New York investment banker. Mr. Holbrook, assistant secretary of state for East Asian and Pacific affairs in the Carter administration, is also a New York investment banker. Mr. Hunter, a National Security Council staff member in the Carter administration, is at the Center for Strategic and International Studies. Mr. Kemble is a senior associate at Freedom House, a human rights organization.

Bush Strikes Back With Plan for 4 Sunday Debates

The Associated Press

WASHINGTON — President George Bush on Tuesday proposed a month of Sunday night debates with Governor Bill Clinton as he struggled to make up ground in his lagging race for re-election. Mr. Clinton had no immediate comment on Mr. Bush's surprise offer.

The president made his proposal as the bipartisan Commission on Presidential Debates scrapped plans for a debate Sunday in San Diego because Mr. Bush was continuing to balk at its proposal for a single moderator. It was the third such cancellation, all of them because of the president's insistence that there be multiple questioners.

"Let's get it on," Mr. Bush said, adding that Ross Perot would be welcome to debate as well if he became a candidate for the White House.

The president's plan would have the effect of transforming the debates into the definitive events of the race. They would be held on the

final four Sunday nights of the campaign, beginning Oct. 11.

In his comments, made at Clarksville, Tennessee, Mr. Bush said he would agree to two debates with a single moderator — as the commission and Mr. Clinton want. He wants the other two to be held under the ground rules that were in effect in 1988, with three moderators posing questions to the candidates.

He said he also favored two debates between Vice President Dan Quayle and Mr. Clinton's running mate, Senator Al Gore.

Mr. Bush's comments amounted to an effort to contain any damage from his refusal to debate Mr. Clinton under the rules proposed by the commission. The Democratic candidate has regularly accused the president of ducking him — and did so again on Tuesday as the debate scheduled for San Diego was scrapped.

"You can't be a Louisville slugger if you don't stand up to the plate," he said in reference to the

baseball bats made by a company with its headquarters in the Kentucky city where Tuesday's canceled debate was to have been held.

Mr. Bush, campaigning in Mr. Gore's home state, said, "If Governor Clinton is serious about debating, he will accept this challenge."

Mr. Perot, flitting with an October entry into the race, seemed to look forward to joining Mr. Clinton and Mr. Bush on a debate stage. If he is invited, he said, "Sure, I will go."

A letter from the commission to the Bush and Clinton campaigns made no mention of Mr. Perot, the Texas billionaire whose name appears on all 50 state ballots for the fall.

"We're not demanding that it be done on our format," said Frank Fahrenkopf, co-chairman of the debate commission and a former Republican Party chairman. He said the commission was prepared to act as mediator between the two campaigns or to permit the two to come to an agreement on their own.

Perot Vows Full Effort If He Re-enters Race

The Associated Press

DALLAS — Ross Perot said Tuesday that if he rejoined the presidential race as an independent candidate, he would do his best to win.

Speaking on television following the unusual pageant of senior Democrats and Republicans appearing before his supporters on Monday, Mr. Perot repeated that he would make up his mind about running by Thursday.

He reiterated that it would be up to his state coordinators, who heard the pitches from representatives of President George Bush and Governor Bill Clinton, to recommend whether he should revive his candidacy. He said he would abide by their wishes.

State coordinators leaving the Dallas meetings Monday seemed firm in saying they wanted to see Mr. Perot back in the race.

He said he had told them: "My feelings are not going to be hurt if you decide to support the Democrats or the Republicans or if you decide to break up and support both."

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Barring of Minority Admission 'Tracks' Is Assailed as Blow to Campus Diversity

By Mary Jordan
Washington Post Service

WASHINGTON — An admissions policy that gave special treatment to minority candidates at the law school of the University of California at Berkeley violated federal law, according to a ruling by the U.S. Department of Education.

Assistant Secretary Michael L. Williams, head of the department's Office for Civil Rights, said the law school had agreed to change its policy of placing minority candidates into tracks so that they competed only with other members of their minority group for admission.

The Office for Civil Rights said the finding in the Berkeley case did not prohibit special consideration being given to minorities in response to official findings of past discrimination. Also, it said special recruiting efforts to encourage a "broad pool of minority applicants" were not prohibited by this decision.

But Robert H. Arwell, president of the American Council on Education, the largest group representing institutions of higher learning, called the decision a "blow to the efforts to achieve racial diversity."

Mr. Arwell said this decision, like the one that sought to outlaw many minority scholarships, was another example of the direction in which the Bush administration had been going "toward restrictive readings" of rulings surrounding affirmative action.

For the past 14 years, the school has consistently admitted 23 percent to 27 percent of each class from minority groups. The school receives 4,000 to 6,000 applications annually and selects an entering class of about 270.

"African Americans only competed against African Americans and Hispanics only competed against Hispanics," said Mr. Williams, who added that "the broad message" of the decision was that "it behooved all schools" to re-examine admission policies to see if they amounted to racial quotas.

Mr. Williams, who stirred a national controversy when he declared in late 1990 that most race-specific scholarships were illegal, said he did not know how many other universities or law schools had similar policies.

"There may be others," he said. "We can only do one investigation at a time."

The dean of the law school, Herma Hill Kay, denied the admission policy violated Title VI of the Civil Rights Act of 1964, which prohibits U.S.-financed institutions from discriminating on the basis of race or national origin.

"We are proud of this policy," she said. Berkeley was in the "mainstream" of how law schools are trying to achieve racial diversity, she said. But she acknowledged that the school had decided to "enter into a voluntary conciliatory agreement," without an admission of wrongdoing.

According to the agreement, the school will not base its admissions decisions "solely on race, color or national origin," nor will its applicants be considered separately according to race.

Also, the agreement explicitly states that no seats are to be set aside for minority applicants. "If achieving a diverse student population is determined to be an educational objective," the agreement stated, "diversity considerations will not be limited to race, color or national origin, but will include a variety of diversity factors deemed important to establishing a diverse educational environment."

According to a statement from the law school, it re-examined its admission policy after the 1978 Supreme Court decision in Regents of the University of California v. Bakke to ensure

it did not include strict racial quotas. Mr. Williams said that while the school "did not have an exact written quota," its practices amounted to one. He also said he believed this was the first time the Education Department found a violation of Title VI in the admission procedures of a university or graduate school.

Representative Dana Rohrabacher, Republican of California, who had urged the investigation after an Asian student who applied to the law school received a letter essentially saying she was on the "Asian waiting list," applauded the decision.

Mass Arrests Disrupt Cocaine Cartel's Money Laundering, U.S. Agents Say

By Sharon LaFraniere
Washington Post Service

WASHINGTON — Federal drug officials say the arrests of about 200 people in six countries and the seizure of nearly \$42 million in illegal drug profits have disrupted the money-laundering wing of the leading Colombian cocaine cartel.

The three-year undercover effort was an unusually significant instance of international cooperation

on a case involving the laundering of drug money. It was the first time that the authorities had uncovered enough evidence to link the Cali drug cartel to the Sicilian Mafia, Drug Enforcement Administration officials said. The arrests were announced Monday.

Among those charged were seven top money managers for the Cali cartel, now Colombia's most powerful cocaine-trafficking organization, according to the agency.

Tom Clifford, a supervisor for the agency in San Diego, who coordinated the investigation, estimated that the cartel was still employing dozens of other top money managers. But an agency spokesman said, "We have taken a real bite out of their hide with these seven guys."

In Rome, a top-ranking Italian police official said the arrests would damage the alliance between the Cali cartel and the Mafia. "We

have carried out many operations with the Americans, but this is the biggest and most significant," said the official, Achille Serra.

After Attorney General William P. Barr authorized the investigation in September 1989, Mr. Clifford said, U.S. agents established a phony investment consulting company named Trans Americas Ventures Associates. Undercover agents relied on informants to introduce the "company" to the Cali cartel as an

efficient collector of drug profits. Mr. Clifford said it took a year to establish the phony corporation, another year to win the trust of the cartel and a third to actually run the operation.

Just before the arrests, undercover agents arranged to receive cocaine shipments that were then seized. Three hundred kilograms (650 pounds) of cocaine is still "on its way on a boat," he said. Undercover agents were able to

AMERICAN TOPICS

Fewer Women Take The MBA Track

Fewer women are applying for admission to graduate business schools, The New York Times reports. Women who might once have studied for a master's degree in business administration are turning instead to careers in law, science, government and education.

In five years, the percentage of business school applicants who are women has dropped from 29.6 to 21.2 percent at the University of Chicago, from 29 to 27.5 percent at Columbia University and from 21 to 16 percent at the Massachusetts Institute of Technology.

The current recession, to be sure, has reduced the number of both male and female applicants. But women, The Times says, "have to worry that their earnings after graduation will trail those of their equally-educated male counterparts. At the same time, sexual harassment at the work place and the risk of being shunted onto a slow-moving mommy track during one's childbearing years have painted a grim picture of corporate life."

Short Takes

Crook County in central Oregon's sagebrush country has voted for the winner of every presidential election since 1892. It has been the only such county in the United States since 1984, when the only other bellwether county — Palo Alto, in Iowa — sided with Walter Mondale over Ronald Reagan. No scientific polling has been done so far this year in Crook County.

so identifying a front-runner is difficult at best. But in a recent and highly informal straw vote, regulars at the Waterhole Tavern in Prineville gave seven votes to Ross Perot, six to Bill Clinton and five to George Bush.

When George Lawrence died of AIDS at 41, he left detailed instructions for his headstone in Forest Lawn cemetery in the Los Angeles suburb of Glendale. The two-foot-wide (60-centimeter) grave marker mentions Mr. Lawrence's longtime companion, Gus Di Claudio, who is buried next to him. The headstone says in its entirety: "GEORGE EISENBERG LAWRENCE 1949-1991. I give thanks for my beloved spouse, Gus; my friends; my mother, Mira; my dogs; and the beauty of living. AIDS is a hard disease to die from, but I rejoice in knowing that my friends will carry on against AIDS and gay oppression." Mr. Lawrence's father, Alexander, has filed a lawsuit demanding that the headstone be changed to eliminate any mention of AIDS. Several homosexuals have written to the Glendale Superior Court opposing the suit.

Leonard Maltin, motion picture historian and critic, does not like the colorization of old black-and-white films. "I try hard to remain open-minded," he says, "while secure in the knowledge that the people who do it will burn in hell."

Ray Jenkins, one-time Montana State football coach, recalls assessing his team's chances for the coming year after a disastrous season. "We definitely will be improved this year," he said. "Last year we lost 10 games. This year we only scheduled nine."

Arthur Higbee



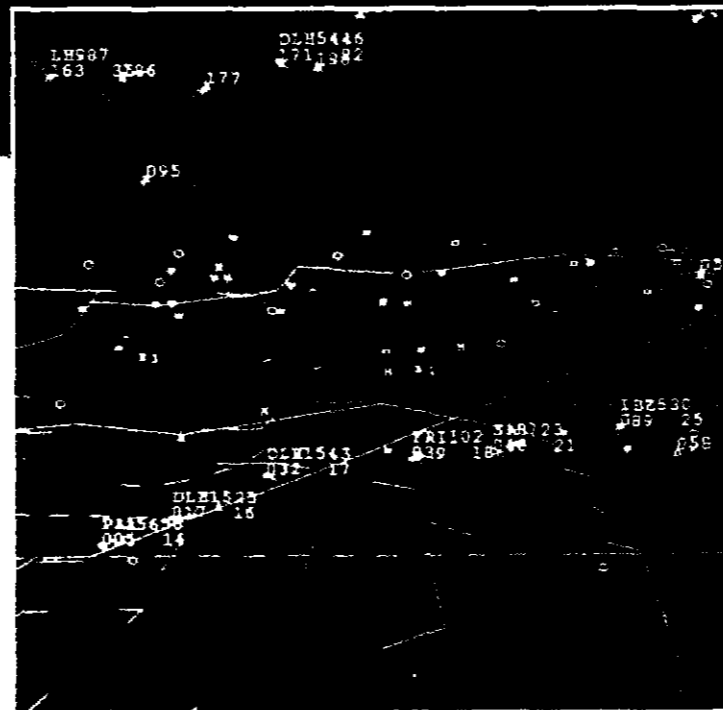
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Furor Over Plea Throws Miyazawa on Defensive

By David E. Sanger
New York Times Service

TOKYO — The remarkably lenient treatment accorded Japan's most powerful politician over his apparent links to organized crime has prompted strong protests in a country that by now seems inured to scandal, forcing Prime Minister Kiichi Miyazawa on Tuesday to defend prosecutors who appear to have abruptly ended the most explosive part of their investigation.

The scurrying by Mr. Miyazawa's government to contain the damage came as a Tokyo court fined Shin Kanemaru, 78, the kingmaker of Japan's governing party, the equivalent of \$1,700 for taking more than \$4 million in illegal contributions from a company with close ties to Japanese mobsters. Mr. Kanemaru admitted last week to taking the money, in return for an agreement that he would not have to answer any questions from prosecutors pursuing the case.

The prosecutors went a step further Tuesday, saying that they were ending their investigation into 12 other politicians — none of whom have been named — who ultimately received some of the money given to Mr. Kanemaru. "There are no other facts to be investigated on suspicion of violation of the law," said the deputy chief prosecutor, Takeo Takahashi.

That statement seemed bound to stem further disclosures about how the money circulated through the top levels of the richest and most powerful faction of the

ruling Liberal Democratic Party. It also leaves many questions unanswered. Among them are what the company at the center of the scandal, Tokyo Sagawa Kyubun, a package delivery company, received for its millions, and why Japanese mobsters came to the aid of Mr. Kanemaru and his close ally, former Prime Minister Noboru Takeshita.

In general, the Japanese have regarded this scandal the way they have viewed similar influence-peddling cases in recent years: with a general sense of resignation that nothing will change. After all, the government promised — and never carried through — wide-ranging political reforms after the Recruit scandal in 1989, a separate influence-peddling case that forced Mr. Takeshita's resignation.

"Basically, everyone wants to ride it out," said an adviser to the Liberal Democrats. "They are counting on everyone forgetting about this one, the way they forgot about the past scandals."

Still, the deferential treatment of Mr. Kanemaru has touched off outrage in a country with a history of rigid hierarchy that nonetheless views itself as egalitarian. The disdain has been evident in small street protests in front of the prosecutor's offices — which were splashed in yellow paint Monday by angry demonstrators — and forthright criticism of the prosecutors.

The sharpest attack came from an unlikely source: The chief prosecutor in Sapporo, one of Japan's largest cities.

Though the Japanese legal profession is usually loathe to debate anything in public, much less criticize a colleague, the prosecutor published a long essay charging that the team handling the Kanemaru case had committed "a serious breach of duty."

"The tradition of never yielding to power, and never being afraid of power has been passed on from generations of prosecutors," the official, Michio Sato, wrote. "In the world of justice, there absolutely should not be the case of giving somebody special treatment."

Another prominent politician, Kiyoshi Kaneko, the former governor of Niigata Prefecture, has been less fortunate than Mr. Kanemaru. Although he reportedly received only a fifth as much money, he was indicted Tuesday and will stand trial. He could serve five years in jail.

Prosecutors say that Mr. Kaneko is being treated differently than Mr. Kanemaru because he has not admitted to receiving the money, and he falsified records. Mr. Kanemaru simply failed to report the "donation," which was so large that the cash had to be wheeled to his aides in shopping carts.

Prime Minister Miyazawa, who has remained silent throughout the revelations, rejected any suggestion Tuesday that Mr. Kanemaru's power and prestige had kept him out of jail.

"The prosecutors are impartial, so I have nothing special to say," he said.

Seoul Sees A Shift on Inspections

The Associated Press
BEIJING — President Roh Tae Woo of South Korea expressed optimism Tuesday that North Korea would agree to mutual nuclear inspections.

Mr. Roh called North Korea's suspected nuclear weapons development "a stumbling block in South Korean-North Korean relations," but said he had high hopes that Pyongyang could be persuaded to accept South Korean inspections of its atomic facilities.

"The major approach we are taking is persuasion," he said at a news conference.

On Monday, President Yang Shangkun of China warned that using international pressure to try to force North Korea to agree to the inspections was "undesirable."

Mr. Roh has asked Chinese leaders during two days of historic meetings to encourage North Korea to allow more in-depth inspections of its nuclear sites. He said that China was supporting Seoul's efforts, but did not give any details.

A Chinese Foreign Ministry spokesman said Tuesday that China favored further talks between Seoul and Pyongyang on the issue, but he declined to say what steps Beijing would take.

China Praises Bush For Vetoing Sanctions

Reuters
BEIJING — China said Tuesday that it was pleased by President George Bush's veto of a bill that would have imposed human rights conditions on China-U.S. trade.

"We welcome this decision by President Bush," a Foreign Ministry spokesman said in a statement published by Xinhua, the official news agency.

Xinhua quoted the spokesman as saying that the most-favored-nation trading regime was a reciprocal arrangement, and to maintain it "accords with the interests of the two peoples and helps promote the trade and economic relations between the two countries."

Congress voted last week to require that extension of the most-favored-nation status for China be dependent on human rights in the bill Tuesday, saying it could throw thousands of Americans out of work.

Mr. Bush added that placing "broad conditions on China's MFN renewal would not lead to faster progress in advancing our goals."

In a related matter, China said Tuesday it was not afraid of a trade war with the United States and would not necessarily satisfy Washington's demands that it open its markets wider to U.S. exports.

In a tough statement, Beijing's top negotiator in the trade talks — independent of the dispute over the most-favored-nation status — said U.S. businesses in China would suffer if relations took a downturn.

"It is not wise to launch the trade war," Xinhua quoted Tong Zhiqiang, deputy minister of Foreign Economic Relations and Trade, as saying.

"China will continue to move towards international standards for its foreign trade system, but it will not necessarily do what the United States hopes for," state television earlier quoted Mr. Tong as saying. "China will take its own road."

Beijing faces an Oct. 10 deadline to open its market to more U.S. products. Washington has threatened to slap punitive tariffs on \$3.9 billion of Chinese goods if there is no agreement.

Searchers Find Recorder at Nepal Air Crash Site

United Press International

KATMANDU, Nepal — The cockpit voice recorder from a Pakistani jetliner that crashed near the Katmandu airport killing all 167 people aboard was recovered Tuesday, but there was no immediate determination of the cause of the accident, the worst in Nepal aviation history.

The Pakistan International Airlines Airbus A300 smashed into a hillside about 15 kilometers 10 miles southeast of Katmandu on Monday afternoon, only moments away from its scheduled landing on a flight from Karachi.



Relatives consoling the wife of Rupak Sharma on Tuesday in Katmandu. Mr. Sharma was one of the 167 people killed in the crash.

The plane carried 152 passengers, many of them Western tourists, and 15 crew members.

A Home Ministry official, Sharad Kumar Bhattarai, said searchers also had located the aircraft's flight recorder. The devices could provide valuable clues to the cause of the accident, the second major jet crash in Nepal this year.

Using a break in bad weather, army helicopters flew 47 bodies and remains to Katmandu international airport for identification, a Home Ministry spokesman said Tuesday. Three bodies have been identified, including that of a Pakistani who was a flight engineer on the aircraft, the ministry said.

The body of Rupak Sharma, a Nepalese police officer and a soccer referee recognized by the world soccer association who had gone to Pakistan to referee a match, was

cremated according to Hindu rites after identification.

The wreckage of the airliner was still smoldering 24 hours after the crash, said a reporter who visited the crash site.

King Birendra of Nepal has sent

a condolence message to President Ghulam Ishaq Khan of Pakistan, and the Nepalese prime minister, Gijja Prasad Koirala, sent a similar message to his counterpart in Pakistan, assuring full cooperation with Pakistani authorities in find-

ing the cause of the crash, the official national news agency said.

The crash occurred nearly two months after 113 people were killed when a Thai Airways International Airbus A310-300 slammed into a cliff 30 kilometers northwest of

Katmandu on July 31. The cause of that crash is still under investigation.

Officials of Pakistan International Airlines in Islamabad said they were not ruling out any possible causes of the crash on Monday.

William Douglas-Home, Playwright Of Britain's Aristocracy, Dies at 80

The Associated Press

LONDON — William Douglas-Home, 80, a playwright who was court-martialed in World War II for refusing to take part in the British destruction of Le Havre, died of heart failure Monday near Winchester.

Mr. Douglas-Home was a younger brother of a former prime minister, Lord Home.

His plays, mostly light comedies which drew heavily on his aristocratic background, included "The Reluctant Debutante" (1955), "The Drawing Room Tragedy" (1963), "The Secretary Bird" (1968), "Lloyd George Knew My Father" (1972), "The Editor Regrets" (1978) and "Portraits" (1987).

As a captain in the Royal Armored Corps, Mr. Douglas-Home was imprisoned for a year for refusing orders to take part in the assault on Le Havre because thousands of French civilians were in the German-occupied city.

More than 2,000 French civilians died in the five-hour aerial bom-

bardment Sept. 8, 1944, which effectively destroyed the city, but left most of the German defenses intact.

In 1988, Mr. Douglas-Home sought a pardon, but the Defense Ministry ruled there was no reason for a review.

"I felt if I'd obeyed orders at Le Havre, I would have been party to what we now call war crimes," he once said.

Many in France hailed his stand as an act of courage and humanity.

Mr. Douglas-Home, second son of the 13th Earl of Home, was born into an ancient, land-owning Scottish family. He was educated at Eton, Oxford and London's Royal Academy of Dramatic Art.

A brief stage career was interrupted by the war.

In his plays, he mingled the life of the upper classes with political experience, drawn both from his brother and his own three unsuc-

cessful attempts to get elected to Parliament.

Hu Qiaomu, Theorist Of Marxism, Dies at 81
BEIJING (AP) — Hu Qiaomu, 81, a hard-line Marxist theorist who played a key role in purging liberal intellectuals in the past 10 years, died Monday, the Xinhua press agency reported.

Mr. Hu recently declared: "The bourgeois politicians have clamored: Marxism is dead and so is socialism. Let them clamor and boast their victories and seek comfort in their dreams. We are holding high the banner of Leninism and triumphantly developing the socialist cause."

He was the fourth member of the hard-line camp to die this year. They have opposed the efforts of the senior leader, Deng Xiaoping, to push market-style changes and more openness to the outside world. The deaths weaken the hard-liners in advance of the national Communist Party congress scheduled for October.



Aarnout A. Loudon, Chairman of the Board of Management of Akzo

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CREATING THE RIGHT CHEMISTRY



ARSON: German Wreath

(Continued from page 1) of Brandenburg issued a statement apologizing to Israel and to all Jews for the attack. "The demons of 1933 are back," said the minister, Hinrich Enderlein. "We must not allow it to go further." Curators at the camp said they planned to rebuild the barracks, which housed the memorial's main museum on the Nazi Holocaust.

V-2 Celebration to Go On Without Bonn

BERLIN — German aerospace representatives will commemorate the launching of Hitler's V-2 rocket 50 years ago despite the federal government's decision to drop its support for the event because of outrage in Britain, officials said Tuesday. A spokesman at the former V-2 test site at Peenemünde on Eastern Germany's Baltic coast said industry executives would proceed with unofficial ceremonies including speeches, readings, newscast films and panel discussions.

point was to celebrate the dawn of space technology, not the V-2's use as a weapon of mass destruction. "It just makes me wonder that in Germany it is not possible to hold such a ceremony objectively and factually 50 years after the end of the war," Mr. Riedel said in a broadcast interview. The opposition Social Democratic Party demanded the resignation of Mr. Riedel, calling his planned sponsorship "a scene from the loony bin" and labeling him "a lobbyist for Germany's arms industry."

Germany's aerospace industry federation, BDLI, scrapped the official ceremony on Monday after Mr. Riedel, a member of a rightist party in Chancellor Kohl's governing coalition, was ordered to drop his support for the event. The distinction between Nazi Germany's high technology and aggressive war was lost on most Bonn government leaders, including Mr. Kohl, Foreign Minister Klaus Kinkel and Defense Minister Volker Rühle. A spokesman said that Mr. Kohl was "not amused" by the international furor the plans had caused. A representative of the German aerospace and armaments concern DASA said Tuesday that DASA had withdrawn from the unofficial ceremonies. Former V-2 engineers, slave laborers and a British Royal Air Force official will attend the ceremonies, Mr. Riedel said.

BOSNIA: More 'Ethnic Cleansing'

(Continued from page 1) of independent observers to monitor it. "There's more of this, and worse, than anyone can imagine," a relief worker said. "Every day, 20, 30, even 50 are being killed." In the days leading up to and following the Vance-Owen visit, at least four Muslim villages in the area were "cleansed" of Muslim inhabitants by masked Serbs who went from house to house lobbing grenades and shooting, killing dozens of people and burning hundreds of houses, according to a spokesman for the UN High Commissioner for Refugees and sources at other international agencies. Banja Luka itself, the capital of Serb-controlled Bosnia and a virtual armed camp, was shaken by eight explosions Friday night alone, according to a local newspaper. There reportedly were at least three incidents of torture of Muslim men over the weekend, as well as repeated and deafening low-altitude sorties by Serbian jet warplanes daily over Muslim neighborhoods.

desperate to leave that they storm relief convoys that roll through town. Last week, about 2,000 Muslims surrounded a delegation from the International Committee of the Red Cross and were dispersed only by warning shots from Serbian police. On Saturday, a convoy of 12 refugee buses traveling through Prijedor was stormed by Muslims and refugees who have been burned or frightened out of their homes in nearby villages. Tensions are so high that there is concern there will be a riot when the Red Cross is to evacuate 35 busloads of Muslim detainees from a Serb-run detention camp outside Prijedor later this week. Radovan Karadzic, the leader of Bosnian Serbs who accompanied Mr. Vance and Lord Owen, told reporters that Banja Luka was "a very peaceful city — there is not a sign of pressure or ethnic cleansing."

ALERT: Caught in Winte

(Continued from page 1) had received only 80 of 100 post used trucks. "We need cold cash," Ms. F. said, "not in kind, not pledges, not shelter material on the market. We've received \$100 million, so of what we consider the bare minimum just to keep people's substance alive over the winter." Fighting in Bosnia-Herzegovina has killed more than 10,000 people since Muslims and Croats voted for independence from Serbian-dominated Yugoslavia. Sarajevo's ordeal was compounded by the continued interruption of water and electricity services. A fire in a 20-story office building blazed out of control in the west of the city. Bosnia's president, Alija Izetbegovic, a Muslim, offered to pull troops out of government-held cities if rebel Serbs opened supply routes and agreed to demilitarize major population centers. "We have agreed to talks on the demilitarization of Sarajevo and other towns as the first step to a cease-fire," Mr. Izetbegovic said in Geneva after meeting the United Nations peace envoys, Cyrus R. Vance and Lord Owen. "Demilitarization implies also the withdrawal of government troops. This would depend on how many more troops the United Nations could deploy." The UN has about 1,600 troops with a mandate to protect humanitarian convoys in and around Sarajevo. The force is due to be increased to 6,000 over the coming weeks. In Zagreb, UN sources said that Croatian aviation authorities had been informed of the routine flight by two helicopters that were attacked 32 kilometers (20 miles) from the city's airport. "It is of immense gravity when people open fire on you from the ground when you are flying peace missions," said the UN protection force's civil affairs director, Cedric Thornberry, adding that the attack may have been accidental. "I don't for a single moment think that Croatia has declared war on the United Nations," he said.

that authorities used against the leftist terrorist Red Army Faction in the 1970s. A spokesman for Mr. Kinkel said the minister decided on his own to go to Sachsenhausen as a personal gesture and was not asked to represent Mr. Kohl. "We place ourselves on the side of our Jewish fellow citizens and on the side of all foreigners living in Germany," Mr. Kinkel said. "We Germans have learned from history. Germany has learned its lesson."

A Kohl aide said that top advisers had repeatedly asked the chancellor to visit a foreigner's home to show solidarity with the frightened refugees, but that Mr. Kohl has declined, arguing that he ought to avoid gestures that could make 'worse the country's already emotional debate over the arrival of about half a million refugees in the last two years.

Blaze Cuts a Turkish Bazaar. ISTANBUL — A fire has gutted a 16th-century covered bazaar built by the Ottoman architect Sinan, destroying more than 160 shops in the bazaar in the northwestern Turkish city of Edirne, but causing no casualties, local officials said. The cause of the blaze was not immediately known.

Racism Is Seen Among 28% of German Youth

BONN — More than a quarter of young German people hold racist views or are open to anti-foreigner propaganda, while 25 percent firmly reject any discrimination against foreigners, according to a survey published Tuesday. Walter Hofmann, head of the Cologne Institute for Empirical Psychology, which conducted the poll, said the remaining half of young Germans between 16 and 24 had no clear stand and could be influenced either way.

The 28 percent of convinced racists and passive sympathizers registered this year compared to about 15 percent noted in 1990.

BUSH: A Gain of Sorts

(Continued from page 1) margin of sampling error of plus or minus 3 percentage points: Time-CNN, taken over the weekend, gives Mr. Clinton 49, Mr. Bush 37. In a three-way race, it is Mr. Clinton 43, Mr. Bush 32, Mr. Perot 17.

CBS News, taken over the weekend, gives Mr. Clinton 53, Mr. Bush 40. In a three-way race, it is Mr. Clinton 45, Mr. Bush 34, Mr. Perot 9.

Newsweek, taken Thursday and Friday, gives Mr. Clinton 50, Mr. Bush 40. In a three-way race, it is Mr. Clinton 46, Mr. Bush 37, Mr. Perot 9.

2 Ex-Soviet Bases In Czechoslovakia To Be Put on Sale

Prague — Czechoslovakia will be taking international bids for two former Soviet Army bases, both serious ecological threats, sources at the Environment Ministry said Tuesday.

The former Soviet Army headquarters in Milovice, 40 kilometers (25 miles) northwest of Prague, and the former base of Ralsko near Mion, 80 kilometers north of the capital will be up for sale in late October, the sources said.

Several countries have expressed interest in the bases, at which large quantities of fuel have seeped underground in the worst of the pollution. The United States and France are both expected to enter the bidding, the rules of which will be made public on Oct. 31. Only the largest and most polluted former Soviet bases will go on sale, since the rest were either taken back by the Czechoslovak Army or returned to local owners.

Table of international funds and other financial instruments, including ABC INVESTMENT & SERVICES CO, ALFA ASSET MANAGEMENT LTD, and various international equity and bond funds.

Table of international funds, including MONEY MARKET FUND, INTERNATIONAL EQUITY FUND, and various international equity and bond funds.

Table of international funds, including ALPHABETICALLY LISTED FUNDS, EUROPEAN EQUITY FUND, and various international equity and bond funds.

Table of international funds, including OTHER FUNDS, EUROPEAN EQUITY FUND, and various international equity and bond funds.

French Audience Zaps ARTE Debut

Channel Is Co-Produced With Germany

By Barry James
International Herald Tribune

PARIS — Amid accusations that the government is trying to stuff something unpalatable down the throat of an unwilling public, the joint French-German, multilingual cultural channel, ARTE, moved from its cable ghetto this week to a prominent spot on the broadcast spectrum.

ARTE has been in operation since May, but only on cable, which reaches relatively few homes in France. In Germany, the service is one of 26 channels available on cable networks that serve more than seven million households, and it continues as before.

When Culture Minister Jack Lang decided to move the service to the terrestrial spot vacated by La Cinq, a failed commercial channel, in order to raise its profile, ARTE fell into the midst of a political controversy.

After the new channel's debut on the air on Monday night, the kindest thing that many viewers — more used to soaps and game shows on prime-time TV — had to say was that ARTE is a yawn.

Critics called the programming mix a boring turn-off that has more to do with what the government thinks people want than with what they actually do want, and which doesn't have enough diversity for a nationwide network. Programs are in the original language with sub-titles or simultaneous interpretation as necessary.

The left-wing newspaper Liberation called ARTE "emergency culture by decree," while, on the right, Le Figaro warned that the word "culture," when bandied about by officials, had a "revolting effect" on most French people.

ARTE is an important symbol — along with the French-German defense force — of the political alliance between President François Mitterrand and Chancellor Helmut Kohl, who signed a treaty setting up the channel two years ago.

But because of the political ramifications of putting a half-German channel onto a nationwide network at peak viewing times, the government waited until after the French referendum on the Maastricht treaty of European union before launching the service. Fear of a powerful Germany was evoked as an argument both for and against ratification of the treaty, which was approved by a slim majority.

Jérôme Clément, the president of ARTE's governing board, accused critics of being too quick to dismiss the channel, which he said would provide a stimulating alternative.

Clément said the current debate over

the future of Europe would have been much simplified had the channel been inaugurated 10 or 20 years ago, and he said the sharing of culture was the most effective way of calming ancestral fears. He said he had been shocked at what he called "the latent Germanophobia" present in much of the criticism. Clément asked how the French would have reacted if the German press had been full of such scathing criticism about France's contribution to the channel.

Skeptics doubted the channel would survive parliamentary elections in France in March if the result is, as expected, a defeat for the ruling Socialist Party. The opposition has argued that the air space should be made available to the highest commercial bidder and is against using public funds to support a channel that may have difficulty in attracting a mass audience. The channel's first-year budget is 1.2 billion francs (\$240 million), split evenly between the two countries.

As a nationally broadcast service, ARTE will be subject to audience-rating and commercial pressure at a time of crisis afflicting the entire French television industry and when the two main state-run channels have had to merge for financial reasons.

The fear was that in the age of the zapper, French viewers would quickly be turned off by the weighty talk shows that are a staple of serious German TV fare, and which are made even weightier by the need for simultaneous interpretation.

"If culture is surely the warmest way to draw two nations closer together, the problem is that on the other side of the Rhine, they don't have the same definition of this precious word," said Eric Ollivier, a commentator in Le Figaro.

ARTE made its broadcast debut Monday night with a documentary on ancient Egypt, followed by an anchorless news program called "8-1/2," followed by a German feature film, Wim Wenders' 1987 "The Wings of Desire."

With a new French director of programming, Alain Maneval, more emphasis has been placed on appealing to a broader and younger audience, without sacrificing quality, by broadcasting, for example, nightly episodes from "Monty Python's Flying Circus."

ARTE is a co-production by France's Le Sept cultural channel and two state-owned channels in Germany, ARD and ZDF. It has production centers in Paris and Baden-Baden and a joint headquarters in Strasbourg.

It will broadcast six hours a day, from 7 P.M. to 1 A.M.



Ken Stott and David O'Hara in "Colquhoun and MacBryde."

A Pub Crawl in Soho

By Sheridan Morley
International Herald Tribune

LONDON — Robert Colquhoun and Robert MacBryde were a drunken, loving couple of artists who came from Scotland to Soho in 1941 to make their fame and fortune. For a brief time, they did just that, whereupon fashions in art were abruptly modernist and they were equally abruptly abandoned by their London patrons. Colquhoun died

THE LONDON STAGE

in MacBryde's arms in 1962; MacBryde was knocked down and killed by a car four years later. Both men had been drinking heavily, and were much in love with each other.

Their story now turns up as "Colquhoun and MacBryde," a new play by John Byrne at the Royal Court which has already aroused residual Soho irritation for the liberties it takes with the known facts of their lives. Nowhere in the play do we get any real account of their art, or whether they much mattered as painters; instead, they are sketched in alongside Dylan Thomas (who makes a fleeting appearance) as pub-crawling characters of their time, larger than life but also unable to come to any real terms with their real demands.

Ken Stott plays MacBryde as a boozey Glaswegian mix of Harry Lauder and Archie Rice, forever Hardy to the Laurel of David O'Hara's Colquhoun, and though they are an endearing couple, the play itself is an untidy ragbag of celebrity encounters: a sketchy rake's progress, jocular and lyrical, in which we are never sure whether Byrne is celebrating the freedom of their spirits (and their freedom to drink them) or condemning the way they allowed themselves and their talents to run to seed.

As J. M. Barrie once noted, there are few more

impressive sights in the world than a Scotsman on the make, but here the two Roberts seem only to have made their own beery graves, unable or unwilling to deal with the realities of the art market in postwar London or its own dealers.

When Ibsen's "Rosmersholm" first opened in London in 1893, The Times found its leading characters "enigmatic and disagreeable, impossible people doing wild things with no apparent reason in contemptible provincial surroundings." A century on from there, Annie Castledine's revival of the Young Vic seems intent on restoring the play and its central debates about domestic morality and public duty to the elegance of a Shavian drawing room.

The two lovers in "Rosmersholm" (elegantly, coldly played here by Corin Redgrave and Francesca Annis) are potentially as passionate as Antony and Cleopatra, but both are crippled by their pasts and unable to face even a shared future, so complex are the moral ties that bind them. It is left to such peripheral characters as the old-fashioned liberal reformer, strongly played by Bernard Lloyd, or his opposite number, the right-wing newspaper editor (Allan Cordan) to know for better or for worse what they are fighting for.

Rebecca is simply fighting to escape the guilt of having effectively murdered Rosmer's first wife, while Rosmer himself is desperately trying to follow her into the 20th century yet totally trapped by the preconceptions of the 19th. This is an unusually glamorous "Rosmersholm," but it still has trouble identifying its own themes: by casting a black actor as the local newspaper editor in a small Norwegian town, Castledine takes us off into another whole area of, as it happens, irrelevant considerations before returning us to the central problem: Are we to see in the final race to the mill stream a joyous and happy escape from the chill, gloom and guilt of the past, or merely an admission that the future doesn't look like working any better?

In London, Sour Notes In the Orchestra Pits

By John Rockwell
New York Times Service

LONDON — September is the month all five of London's hotly competing orchestras set up seasonal shops. On the 17th the London Philharmonic opened its season at the Royal Festival Hall, and on the 20th the Philharmonia followed suit at the same location. No great news in that, one might think.

But optimists hope the Philharmonic's opener may in fact presage a profound change in London's orchestral life. The concert signaled the beginning of a five-year agreement that makes the Philharmonic the resident orchestra of the South Bank Center, of which the Festival Hall is a part.

In the long run, the residency may or may not benefit the center and the Philharmonic in the way both institutions hope. But the infighting and backbiting that attended the selection of the Philharmonic over the Philharmonia, its principal competitor, revealed a depth of passionate vituperation not always evident beneath the urbane surface of English manners.

The main reason to establish a residency is to create a truly great orchestra. Although Prime Minister John Major boasted of London as the world's musical capital in the spring election, not one of its five orchestras — the Philharmonic, the Philharmonia, the London Symphony, the Royal Philharmonic and the BBC Symphony — is considered on a par with the great orchestras of the world.

The London Philharmonic's opening program did not suggest a sudden vault into parity with the Vienna Philharmonic or the Chicago Symphony. Aside from its unusual length and structure — three hours with two intermissions — the concert fell short of really world-class music-making. As usual with English orchestras, the winds were distinguished, the brass first-rate and the strings only fair.

The residency is meant to change all that, and the Philharmonic's champions think the long march is under way. David Mellor, who resigned on Sept. 24 as state secretary for national heritage — a mandate that includes the arts — put it this way at a reception after the concert: "I think we heard tonight the makings of a great orchestra, and I hope that with this residency we can see that dream fulfilled."

For the South Bank Centre, a residency offers focused marketing and influence on the orchestra's programming, which Nicholas Snowman, who became the center's chief executive in 1986, would like to push into a more contemporary direction. But he would also like the prestige and popularity of a world-class mainstream orchestra; the 2,900-seat Festival Hall operated at only 60 percent of capacity last season.

The Philharmonic, for its part, gets first crack at dates at the Festival Hall, the hall's stage for all rehearsals and, in theory, the cachet to attract more sponsors.

Snowman and John Willan, the orchestra's managing director, agree that the Philharmonic won the residency largely because it gave its music director the right to hire and fire players; British musicians are essentially self-employed free-lancers bereft of American-style union pro-

tection. In addition, the Philharmonic is trying to expand, to sweeten its wage and pension package, to expand the orchestra and to sign players to exclusive contracts, which would preclude free-lancing with competing orchestras.

It is here that David Whelton, the Philharmonia's managing director, begins to question the entire arrangement. Indeed, Whelton, whose mild manner barely disguises an acidic case of sour grapes, is given to describing every aspect of the Philharmonic's residency in the most lurid terms.

"Aren't the English wicked?" he noted rhetorically, referring to the common nickname for Franz Welser-Most, the Philharmonia's talented 32-year-old Austrian music director, which is Frankly Worse-Than-Most. It was Whelton who throughout an interview had called the conductor Worse-Than-Most.

"These are among the assertions Whelton made in a 90-minute interview:

• That the residency is "meaningless," since the Philharmonia has an arrangement with the

Infighting and backbiting revealed a depth of passionate vituperation.

South Bank that provides almost the same advantages as the Philharmonic enjoys.

• That Elliott Bernerd, the chairman of the London Philharmonic Trust, is "trying to buy social respectability." Mellor, the heritage secretary, resigned after furious tabloid attacks for a flamboyant extramarital affair and for accepting favors from Bernerd and others.

• That as the former arts minister and secretary of state for national heritage, Mellor favored the Philharmonic unfairly. Whelton didn't seem to think that such Philharmonia advocates as the Prince of Wales and Francis Grierison, the former South Bank chairman, represented a comparable conflict of interest — or, as he put it, "corruption."

• That Snowman's programming ideas constitute "interference" that any self-respecting music director — like the Philharmonia's Giuseppe Sinopoli and unlike Welser-Most — would not tolerate. Welser-Most has been widely quoted to the effect that he regards his artistic relationship with Snowman as healthy and fulfilling.

• That in general, Snowman — a former assistant of Pierre Boulez in Paris "who fell out of an Air France plane in 1986 with an eccentric reputation" — is not to be trusted.

Yet Whelton is forced to play a double game. Bitter as he may be, he must put the best face possible on his situation at the Festival Hall, which is actually more favorable than it was before. It involves a healthy number of concerts and in-house rehearsals.

"I actually rather like Nicholas Snowman," Whelton said. Snowman, having been apprised of Whelton's remarks, replied, "I like David Whelton."



Hans van Oosterom, Executive Vice President Strategic Planning Akzo

This small

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CREATING THE RIGHT CHEMISTRY



INTERNATIONAL Herald Tribune

Bush as Proliferator

One happy consequence of the end of the Cold War is that defense budgets around the world are shrinking. One unhappy consequence is that nations are scrambling to peddle arms abroad in order to keep their arms makers in business.

rest of the permanent Security Council members. Mr. Bush bought Israel's acquiescence by giving it surplus American arms. The agreement on the F-16s, meanwhile, betrays a pledge that the United States made in 1982 not to increase the quantity or quality of arms sold to Taiwan.

Buthelezi Should Join In

The fusillade of automatic weapons fire three weeks ago against anti-apartheid demonstrators in Ciskei was not the curtain raiser on more bloody confrontations in the apartheid-created homelands, as some had feared.

overcome that critical stumbling block by strengthening security around the hostels of Zulu men (from which attacks allegedly have sprung) and by imposing a ban on the carrying of so-called "cultural" weapons by Zulus in public.

Franked Into Submission

Back in the 1940s, Frank Sinatra drove teenagers wild. Apparently he still does. A social sciences teacher in Riverside, Illinois, began last year to play Mr. Sinatra's records in detention hall, where high school miscreants are kept after school.

What makes his songs punishment to modern detainees is the same sentiment felt by many an American teenager before them: the thought that anything their parents liked (or grandparents, in the case of Frank Sinatra) is by definition unbearable.

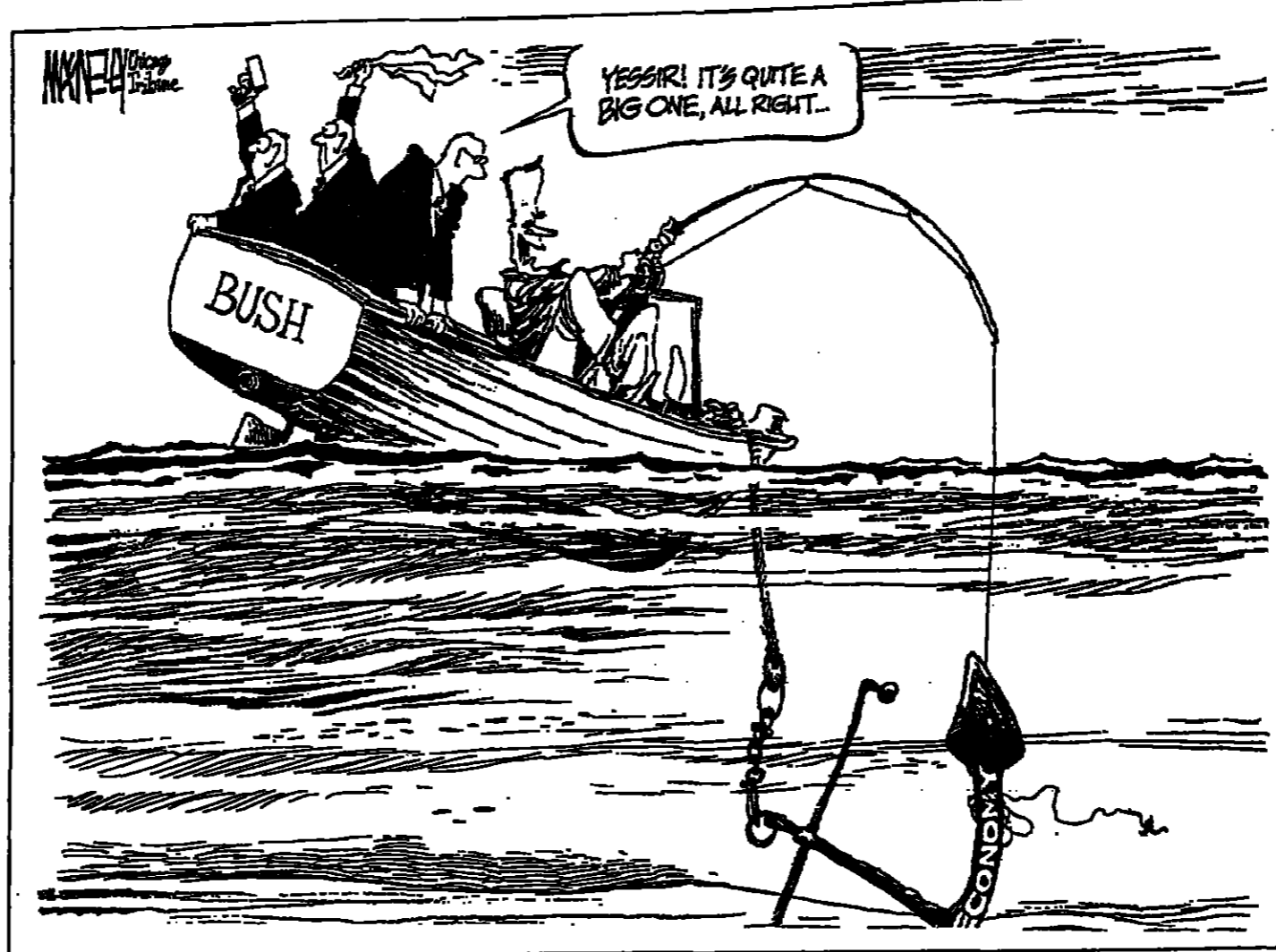
Other Comment

For Bush, a Bad September

If October is as bad as September for George Bush, the third day of November is going to mark the end of his political career. On almost every front, the president is on the defensive.

Union Through Flexibility

The close result of the French referendum on Maastricht should encourage the "winners" to rethink their policy of forging full speed ahead toward the political and monetary unification of Europe.



Kissinger Deserves Better

By A. M. Rosenthal

NEW YORK — In the winter of 1973, the Nixon-Kissinger team and its most passionate American enemies were in agreement on one overriding judgment: The war in Vietnam was lost and had to be ended.

For Europe, the Maastricht Treaty Is Expendable

By Brian Beedham

AGINA, Greece — Consider this sales pitch: "We want to sell you an extension to your house. We know it is not well designed. Most people who have looked at the plan dislike it in one way or another."

The present Community is a confederation of countries that have agreed to make the historic experiment of abolishing all impediments to free trade between their peoples.

tricht means the end of the European Community there lie, one suspects, a deeper fear and a piece of bad logic. For many Europeans, especially those old enough to remember the years before 1945, the horror lurking at the back of the mind — the thing to be avoided at all cost — is a return to the Europe that produced the wars of 1914-1918 and 1939-1945.

This is a flaw in the ideal free trade system. But it is much less serious than what would happen if a single currency were imposed on countries whose economies did not fit together.

A Communist Threat in South Africa

By Lally Weymouth

JOHANNESBURG — A Russian television reporter who came here recently to interview South Africa's foreign minister, R. F. Botha, raised an interesting question: "How is it possible South Africa is the only country in the world where the Communist Party is negotiating with the government to become part of the government?"

mandate to eradicate apartheid and to negotiate a new deal — not to become Communists." In an interview last week, President de Klerk spoke of his concern about growing Communist influence in the ANC.

There is nothing wrong with creating a single Europe, let it be said again, if most Europeans clearly want that kind of Europe. Some of us would be sad if it led to a parting of the ways between Europe and America, because we believe that Europe and America working together can do far more for the betterment of the world than either can do separately.

Clinton Is No Kennedy, for Better and for Worse

By David S. Broder

DALLAS — The Democrats are doing their best to wrap Bill Clinton in the mantle of John F. Kennedy, but when you think about it the comparison just doesn't work.

every stage, family money and connections smoothed the way. Mr. Clinton, by contrast, provided the spur to his own ambition and made the contacts that aided his rise.

Kennedy had to beat a gifted Hubert Humphrey in two primaries and then outmaneuver two other men who would also loom large in history's pages, Lyndon Johnson and Adlai Stevenson.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1892: 'Mutinous Spirit'

PARIS — The Herald says in an editorial: What has come over the English Army that some of the finest corps in the service are every now and then breaking out into a mutinous spirit?

succeeded in reaching. There were twenty raiding aeroplanes, none of which were able to penetrate the intense curtain fire of the London defenses.

1917: An Airborne Flop

LONDON — The German air raid of Friday night (Sept. 27) had for its result the loss of two German aeroplanes without any damage whatsoever in the few districts which they

1942: British Hush Order

LONDON — [From our New York edition:] Prime Minister Churchill emphasized to the House of Commons today (Sept. 30) "the underestimation" regarding the opening of a second front at the same time that a high officer of the British army was broadcasting another "invasion warning" to the French people.

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صحة من الامل

Kissing
Deserve
Better

Assessing the Impact of Germany's New Power: A Sampler of European Opinion

(Continued from page 1)

ately to see how strong the German government will be in combating them and denouncing them and distancing itself from them. I think that's an area where certainly British sensitivities will be very great. Is the German government responding quickly and strongly enough to every manifestation of racism? But it's not the racism of a conquering country, arriving in Paris and Warsaw and imposing its will. You know, our modern problem seems to be in the dangers in internal bleeding and internal breaking, as in Yugoslavia.

And here, perhaps, is a greater danger—not the danger of German soldiers marching eastward or westward but of Germany itself having great problems of internal unity. But that, at the moment, does not seem to be the case.

Germany is extremely strong economically and is in many ways the largest, the most cohesive, the most united state in Europe. The very contrast, let's say, with the former Soviet Union and with Yugoslavia is worrying. I think, for a lot of European people. As I said, it's not worrying in that we fear the German jackboot, but as indeed we've seen in the last fortnight, the German mark is what causes us the shivers.

Robert Harris
Sunday Times columnist and author of "Fatherland," 35

The furniture has been rearranged, and now suddenly everyone is starting to wake up to German power, which is going to be considerable. I mean, 80 million people at the heart of Europe has always been a problem—how to contain Germany.

But I'm not afraid, no. I think that in the past, obviously in 1914 and 1939, it led to war, but there are three differences now. One is I don't think Germany any longer feels threatened by its neighbors, which it used to, with Russia to its east and the British and French empires to the west. The British and French empires have gone, and the Russian empire has collapsed as well, so that has changed.

Secondly, I don't think now we're in an era when countries try to amass land empires. The Soviet Union fell apart because of that, and it's no longer economically necessary to have an empire.

And the third thing is that, monster though he was, Stalin did at least sort out the problem of Germans living outside the boundaries of Germany. At the end of the war, as you know, they were all thrown out of Poland and Eastern Europe, so I don't think there is that kind of flash point any more, of the German minority in another European country.

So for all of those reasons, I don't think it's something that people need worry about as a military problem. I think that inevitably, as with America currently and Japan, there is a process, you know, of coming to terms with the fact that you thought you won the war, but now the people you defeated are stronger than you are. And I think that that is difficult to adjust to. But I wouldn't use the word "fear."

If you can bear in mind that my father's generation and my grandfather's generation both had their lives turned upside down by Germany, they had their friends killed and their families killed, they had five or six years taken out of their lives, I mean, you know, it

would be very strange if there wasn't some deep-seated—unconscious perhaps the word to use—about Germany.

Dennis Healey
Former Chancellor of the Exchequer and Labor Party spokesman, 75

I think the risk is that if the whole European cooperation were to collapse, then I think Germany, lacking friends in Western Europe, might act unilaterally, and the real danger in the modern world is what you might call global unilateralism. As you know, we've seen a lot of that in the United States in recent years and in Britain, and if the Germans chose to act that way, I think it could be dangerous for all of us.

On the other hand, I think we have to accept that a united Germany in any circumstances would look as much east as west. We often forget how close the links between Germany and Russia have been in the past. The Germans played a very large and direct role in Czarist days inside the Soviet Union. It is just ridiculous to be worried that the Germans look east. The important thing is that their influence should be constructive, and, so far, it has been.

Once East Germany is fully assimilated, which will take at least another decade, Germany will be a very strong economic power. But there is no sign at the moment that they want to be a dominant military power. Indeed, it's rather like the situation in the Far East, where the Americans are always nagging the Japanese to be more active in the field of defense and the Japanese are very reluctant to do so.

My basic feeling, which I've felt very strongly for very many years, is that there is a potential risk from any strong power, and, of course, it's more dangerous a risk from a strong power than from a weak power. And I think the idea of trying to make Germany comfortable as an equal partner in a larger entity is a very sensible one.

The Europe of 6, or even a Europe of 12, is too small a setup not to be dominated by Germany. My own feeling has been that a Europe stretching from Brest to Brest, from the Atlantic to the Russian frontier, makes a very much more comfortable framework into which Germany can fit without dominating. And I think that a Europe limited to Germany's Western neighbors is never going to effectively control Germany—or satisfy Germany.

France
André Glucksmann
Philosopher, 53

I was in favor of German unification from the day the Berlin Wall came down, and I am still for it. But at the time, I said there would be serious difficulties, much more than the West expected, because communism would leave behind it psychological, moral, social, economic and ecological ruin.

What was East Germany is now in this state of ruin. Among its difficulties is the re-emergence of an extreme nationalist ideology. This is perhaps understandable: Under communism, Nazism was considered the responsibility of the capitalists, so there was no self-searching, no acceptance of blame by the population.



Other European leaders who offered responses to the question are, clockwise from top left, Robert Harris, Giovanni Spadolini, Giorgio Bocca, Peter Giotz, Martin Gilbert, André Glucksmann, Peter Schneider and Didier Pineau-Valencienne.

The present French exasperation toward Germany is founded more on ignorance. The French know the new Germany today less than the French in the 1930s knew the pre-Hitler Germany. So people here have no understanding of the cost of saving East Germany. Instead of worrying about Germany the superpower, they should remember the problems of unification. But ignorance is the cradle of distrust, anguish and paranoia. The proof of this is that when the elites talk of Germany today, they still talk of the 1940s.

Yet, there is a potential German problem. For 40 years, Germany has been a political dwarf, with no global political responsibilities. For the next 10 years, it will be preoccupied with developing East Germany. And in this I am sure it will succeed. But then we will have to address Germany's power and place in the world. And that raises a large question mark.

In Germany today, there are no clear ideas, no philosophy, as to what this should be.

Max Gallo
Member of the European Parliament who opposes the Maastricht treaty, 60

Germany is clearly the strongest European power, perhaps even the world's strongest economic power. Its economic, monetary, and demographic mass serves as the supporting arch for the entire European continent. When the United States thinks of Europe, it first sees Germany and then a few other states scattered around it. And it is not wrong.

But I don't think we need to worry about German democracy. At least in the West and among the elites, it has been well implanted since 1945. And no matter what people say, millions of Germans opposed Hitler in 1933, so there is a strong democratic tradition. We need not fear some sort of sliding back in this regard.

From France's point of view, however, there is a real question of asymmetry of power. It's

not a matter of being for or against Germany. Rather, it's whether France can preserve its autonomy in face of the logic of German power. For this reason, I fear the consequences of the withdrawal of the pound and the lira from the European Monetary System because French leaders may be tempted to rush toward forming a single currency with only five countries—Germany, France, Belgium, the Netherlands and Luxembourg—when it should be done by all 12 Community members.

If we do this with just five countries, this would put France and the franc at the mercy of the mark. No matter how democratic Germany remains, this would not be healthy for the French economy or European stability. It would mean French economic and political submission. For France to join a single currency without Britain and without Italy would be suicide from the point of view of its currency, economy and society.

Didier Pineau-Valencienne
Chairman of the Schneider Group, 61

The European Community has advanced thanks to the strong alliance between Germany and France. If the Community is to survive, this alliance has to be kept strong. At the same time, Europe has been moving forward too slowly. What happened on our financial markets is proof of that. We don't have the political organization that we need in Europe.

Countries keep deciding their own economic policy and their rates of interest, and the market concluded that some currencies were overvalued and some were undervalued. So more than ever we need a strong Europe, and more than ever we need a single currency.

I have no fear of Germany. As far as I am concerned, it is not an issue. True, there have been problems of racism in Rostock and other places, but we have similar problems in places just outside Paris. What's important is that we

maintain the strong relationship between France and Germany and that we keep Germany in the Western side of Europe and in the European Community.

If we cannot form a strong Europe, it will be very dangerous. And last week's currency crisis is an example of what can happen. So we have to harmonize our policies. We have to have a single currency. Most American businessmen I know cannot understand why we are still divided. If we want to compete, we have to unite. And instead of slowing down now, we have to accelerate the unity process.

Germany
Peter Giotz
Former Social Democratic leader and member of parliament, 53

By the slimmest possible majority, France has accepted the treaty of Maastricht. Hoary, many politicians say, now we can get on with business as usual.

Certainly, the treaty should not fail on account of the Germans. Fear of a reunited Germany is strong enough, as the French debate about Maastricht showed. We Germans have every reason to ratify the treaty demonstratively—first, because it really does achieve progress toward integration and second, because we don't want to encourage the suspicion that we want to dominate Europe.

But let us have no illusions: Maastricht will not bring about political union; it will not even bring about a common currency. Unless a new signal is given, Europe will remain a continent of national states, with Germany as the strongest, which means that in 20 years, at the latest, Germany will once again be an object of hatred for many of its neighbors.

What can we do to prevent this nightmare? One way to start would be to work for political union in stages. It will not work right away among 12 countries with such widely differing interests as Greece and France or Portugal and Germany, not to mention Poland, Czechoslovakia, Hungary, Cyprus, Malta, Austria, Sweden, Finland and other states that are already knocking at our door.

As a first step, we should go back to the origins—back to the six original members of the European Community: France, the Benelux countries, Italy, and Germany should get together and plan the political union of their peoples, which could be the core for a broader union later. Then we would have the start of a United States of Western Europe that would be strong enough to help its neighbors to the east and the south.

Peter Schneider
Author of "The Wall Jumper" and "The German Comedy," 52

Is there a genetic predisposition to fascism? So far, molecular biologists have not found such a gene or shown that only the Germans have it. I can well understand that the talk about the "victorious" mark in the currency crisis, together with pictures of neo-Nazi skinheads, awakens old fears. But fixation on "Nazi Germans" leads to blindness about the real dangers, and what causes them.

Germany today is bigger than the old Federal Republic was, but weaker, and will stay that

way for some time. The German central bank's high-interest-rate policy, which has threatened the economy of all Europe, is not exactly a sign of economic strength, after all, but a reaction to a huge and dangerously inflationary German budget deficit.

It is not an expansionary itch the Germans have that is dangerous, but their provincial concentration on domestic problems. The grail-keepers of Europe's leading currency have been behaving like the representatives of some tiny country.

What has been so striking so far about reunification has been not any excess, but the almost complete absence of any patriotism. The criminal "Nazis" exploit this vacuum; they can be dangerous for democracy in Germany only because the politicians and society as a whole have not reacted with the necessary firmness to this new barbarity.

If weakness and uncertainty, provincialism and lack of reflection are dangers, the Germans may indeed be dangerous right now. But denouncing "pan-German tendencies" and "D-mark colonialism" will not make the lira or the pound any stronger.

The challenge facing Europeans in dealing with the new, bigger Germany is much trickier. This big, uncoordinated baby has to bear political responsibility on the international stage in proportion to its size.

Klaus Bölling
Journalist and former aide to Chancellor Helmut Schmidt, 64

For four decades, the Federal Republic was a model of behavior, in the European Community as well as in the Atlantic Alliance, of modesty and self-restraint. The late Bavarian conservative Franz-Josef Strauss often complained that West Germany was an economic giant but a political dwarf in security matters and foreign affairs. Chancellor Schmidt always answered that striving for a dominant position in Europe was not in the German interest, for reasons of principle.

In the century of Auschwitz, we had to contend with the continuing suspicions and doubts of our neighbors, and even a hint of hegemonistic ambition could only hurt us. Helmut Kohl has held to the same maxim. After reunification, modesty is called for more than ever. In every European political context, the Germans must work in the closest cooperation with the French, our most important neighbors, and let them take precedence when it does not directly go against our interests.

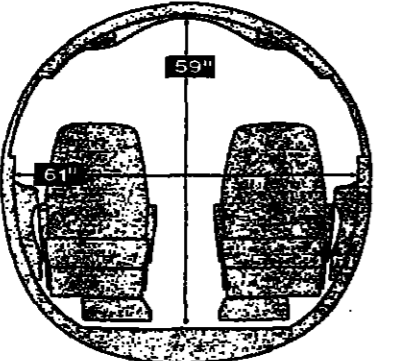
The great majority of Germans have no ambition to see the new Federal Republic swell into a superpower. Hardly anyone is even eager to accept President Bush's offer of a "partnership in leadership."

Our West European neighbors, and the United States as well, overestimate our economic strength. If we want to overcome the still powerful fears of our neighbors and allies, we have to recognize that we have the status of a medium-size power and—in our own clear national interest—forget all these intellectual games about a unique German destiny, once and forever.

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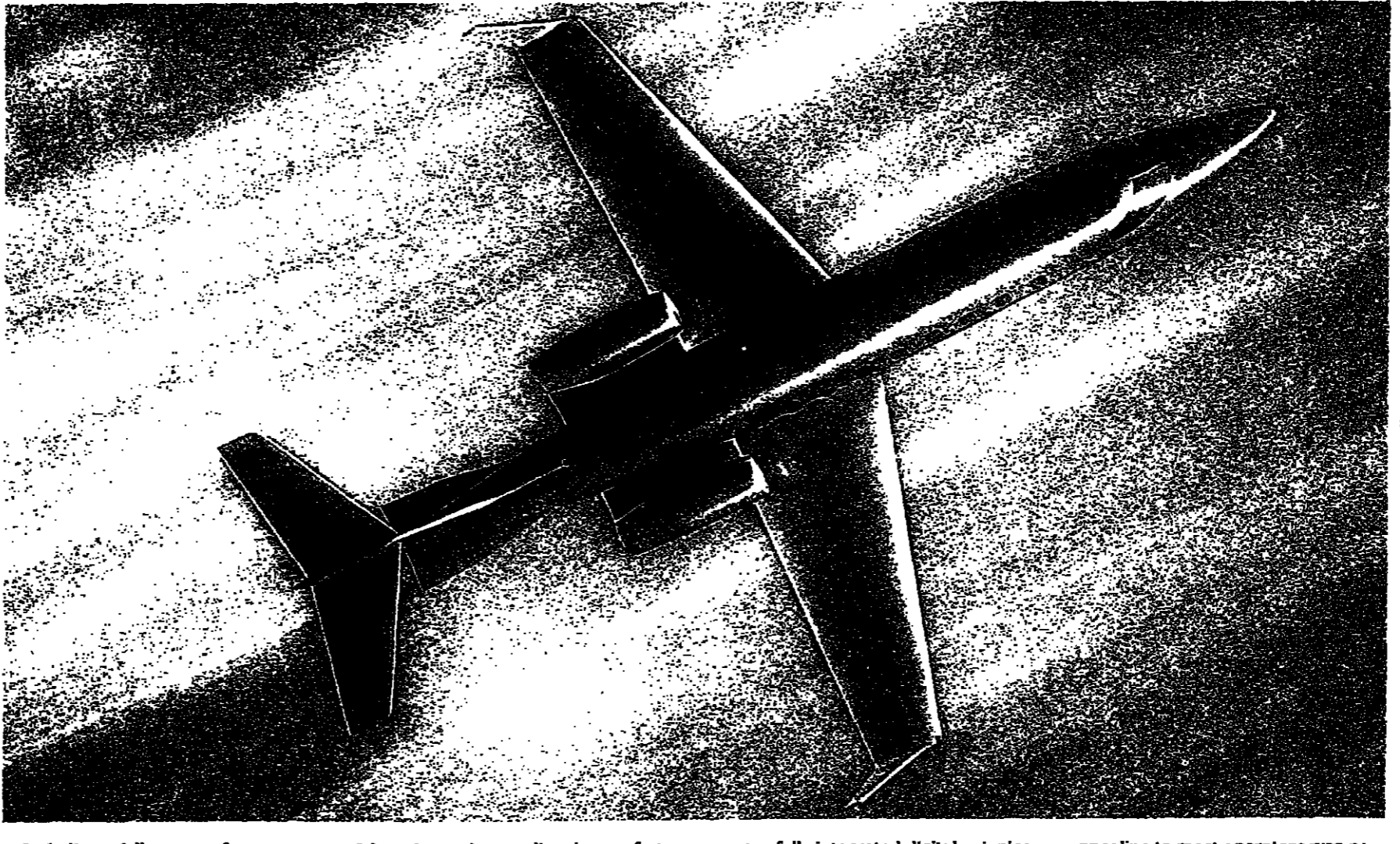
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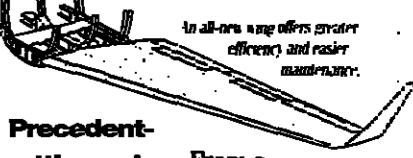


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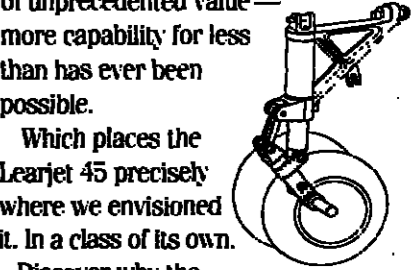
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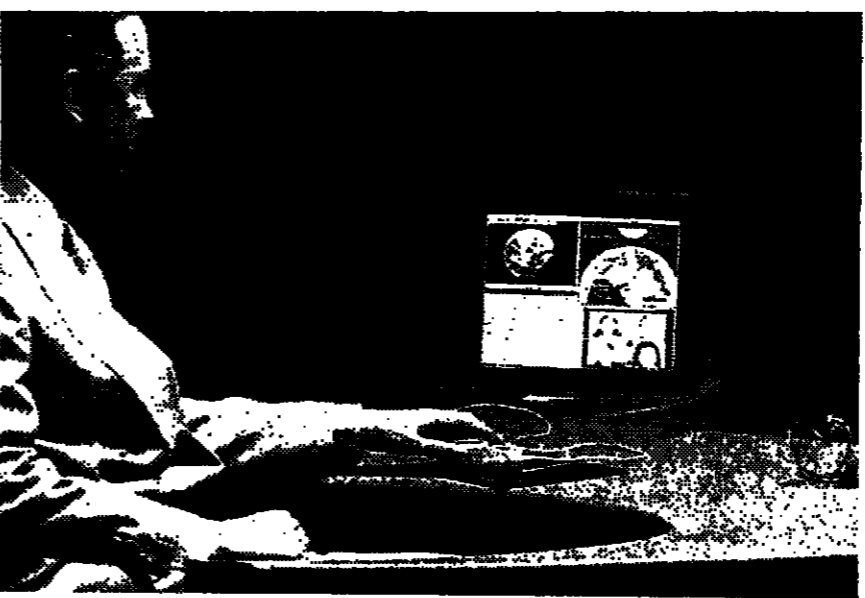
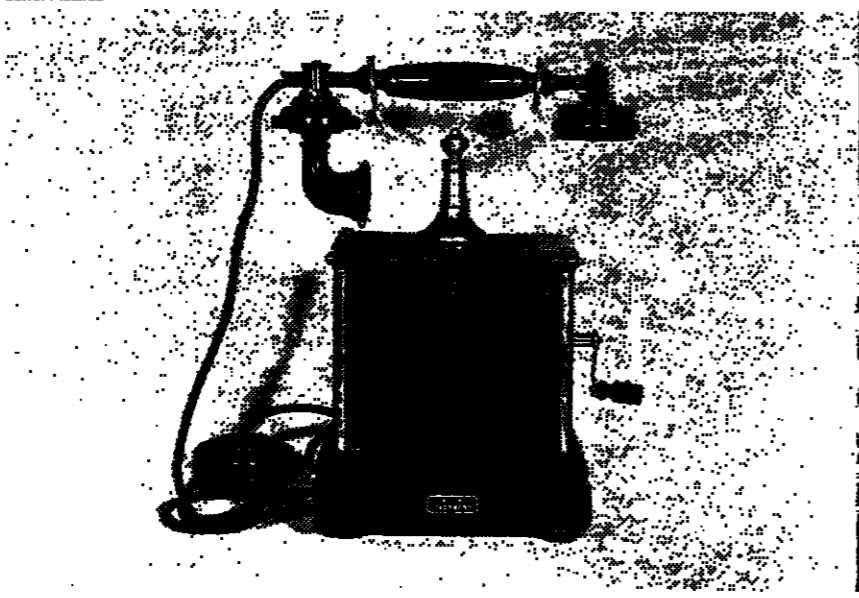
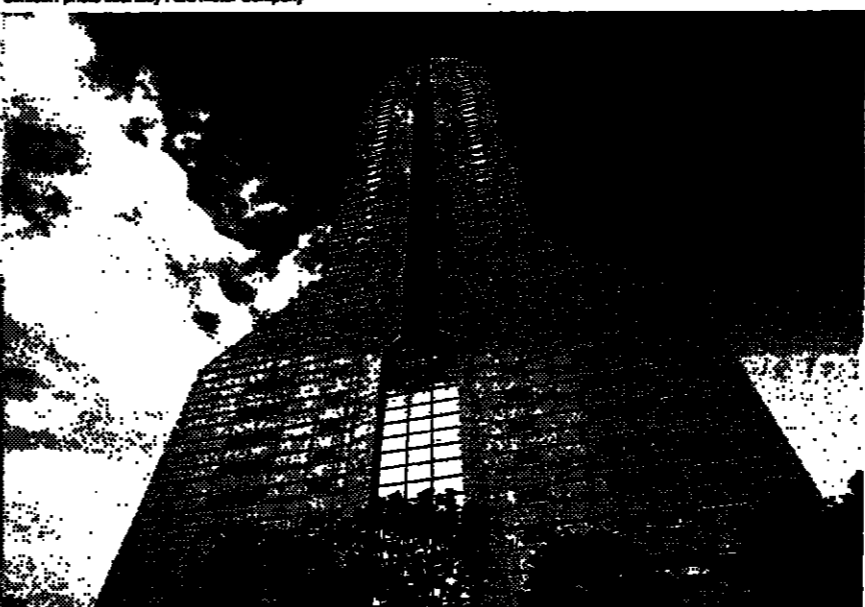
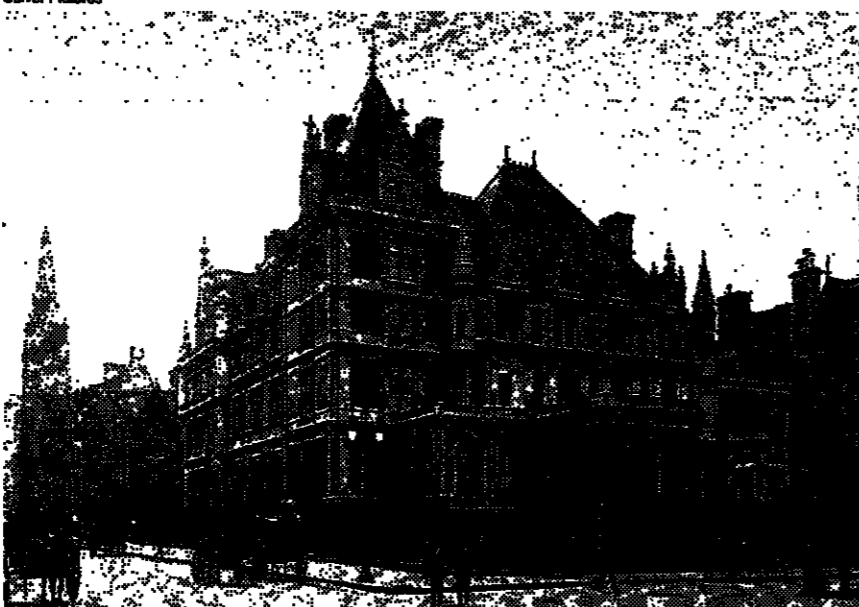
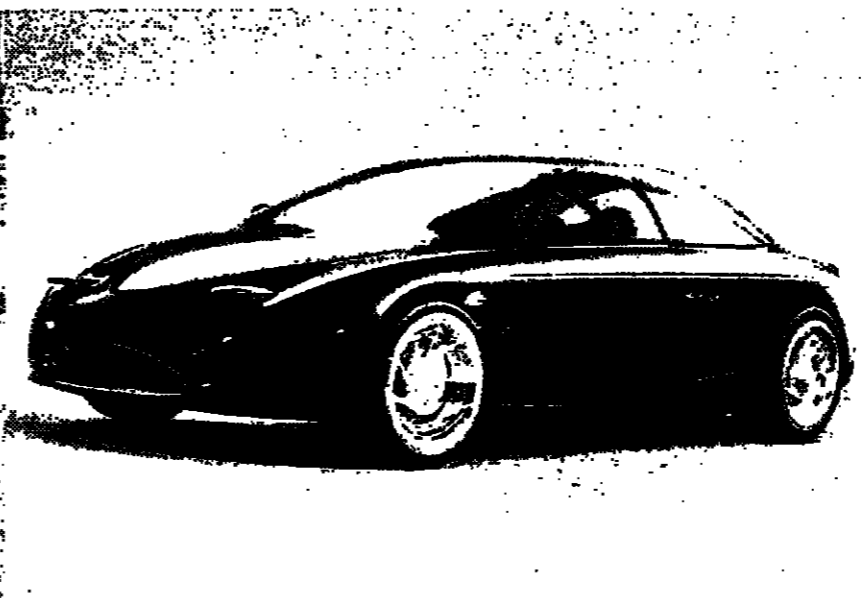
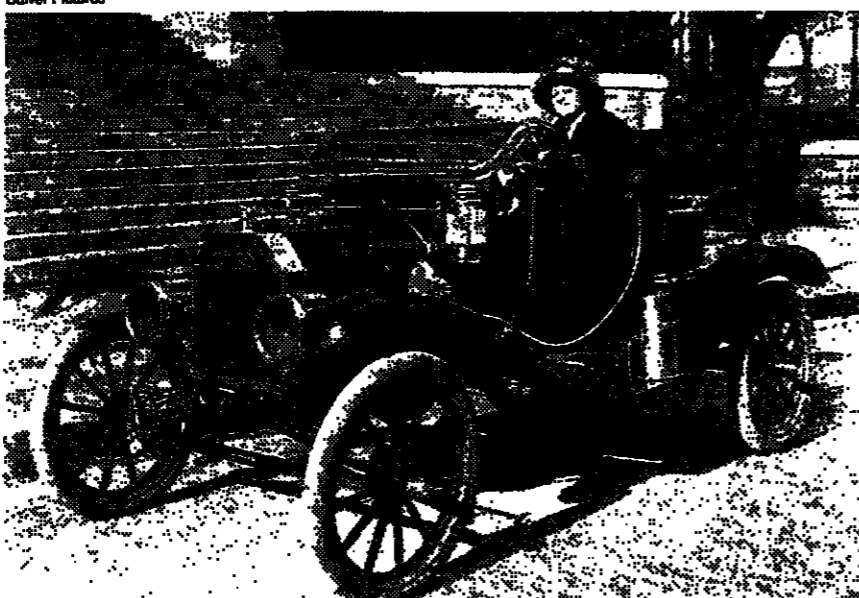
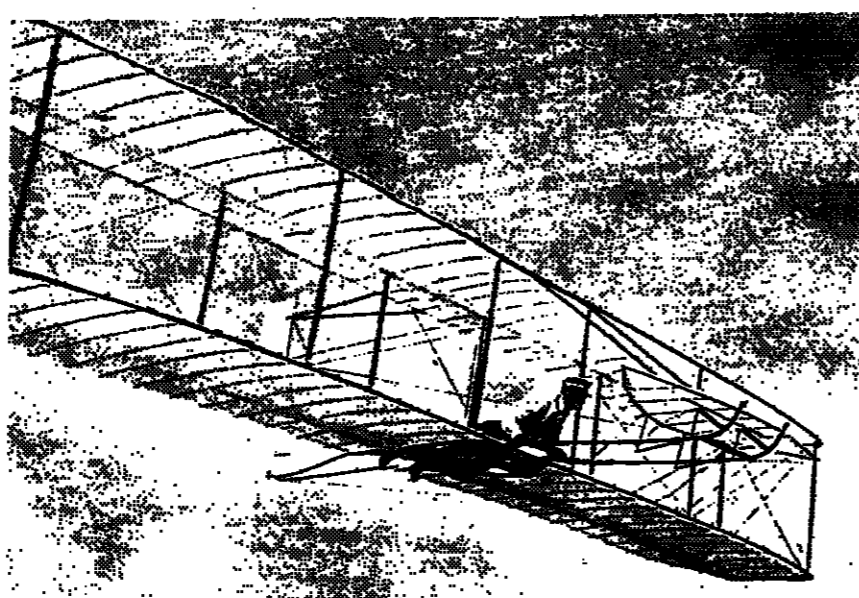


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INDIA

The New Trading Climate

Reforms Bring Dynamism As India Opens Its Doors

The opening up of what is potentially one of the largest untapped consumer markets in the world has begun to attract the attention of multinational corporations. India, along with China, is the last closed market in the world, and has a 300-million-strong middle class with little exposure up until now to international brands.

PepsiCo, IBM, Texas Instruments, Fujitsu, General Electric, Motorola and Coca-Cola are tying up with Indian companies or setting up export-oriented projects in India. Others, such as Procter & Gamble, Cadbury, Glaxo, Philips and Bata, are consolidating their presence by bringing in additional equity under a recent policy change to get majority shareholding.

The present government, headed by Prime Minister Narashima Rao, has turned Indian policy and economic thinking on its head in just over a year. Its reforms, accelerated by a precarious reserves position, have been endorsed by the World Bank, which says in a report that the depth and speed of the overall reform process have exceeded most expectations.

After being on the brink of defaulting on its \$71 billion external debt obliga-

tions last July, the country is seeing the need for both foreign capital and technology. Ever since, change has been rapid and revolutionary.

- The rupee was devalued 24 percent to make exports competitive.
- Licensing for industry

Support needed to sustain reforms

was almost completely eliminated.

- Foreign companies were allowed to raise their equity to 51 percent in 34 industries.
- Export subsidies and import duties were cut.
- The role of the public sector is being reduced.

To achieve the various goals set by the government, however, will be an uphill struggle. The government is trying to control inflation, which is down from 17 percent last

year to 8 percent. A steep hike in the price of petroleum products and other price increases will unfortunately increase inflationary pressure in the coming months.

Foreign-exchange reserves, at around three months of imports, are considered comfortable, but reducing the deficit to 6.5 percent of the GDP, as declared in the annual budget, will be a tough job for the finance minister. The monsoon-dependent economy has some relief thanks to the fifth consecutive year of adequate rainfall.

India's GDP, now \$230 billion, is expected to double to \$500 billion due to increased industrial and agricultural productivity. The World Bank states that India could be one of the most dynamic economies in the second half of the 1990s if the current pace of reform is maintained over the next three



to four years. Sustaining reforms will depend on external financial support. Almost in line with this prediction, the Indian finance minister, Manmohan Singh, sought a record International Monetary Fund loan of \$9 billion over the next four years, including \$3 billion this year to back up the structural adjustment program.

One of the remarkable achievements of the reform process, says a World Bank report, "Trends in Developing Economies 1992," is the slight increase in per capita income from \$350 to \$360.

Indian industrialists are gearing up to cash in on the changed environment by taking advantage of available opportunities.

More important, they want to integrate with the rest of the world.

Global trade has been identified as an important area, and leading industry groups have already begun to move in. These include ITC Ltd., Reliance Industries, Essar Gujarat and many others. ITC Ltd., the country's largest exporter in 1992-93, with exports of

\$180 million, has in fact been planning its entry into global trading since the 1980s.

According to Nripiit Chawala, vice president of the international business division, which will spearhead ITC's global activities, "Leather, textiles and marine products have excellent export prospects."

G. P. Reddi, chairman of ITC's international business division, says there are good opportunities for helping international users and companies source products from India. These products could be manufactured entirely to their specifications, and companies could capitalize on cheap labor available in India.

Shitin Desai, vice president of DSP Financial Consultants, points out that for Indians, acquiring companies abroad would give them instant brand names and a competitive edge. "There is a move to permit Indian companies to enter into joint ventures overseas or to acquire companies abroad," he says. This would enable Indian companies to consolidate their international presence and ensure added value to their exports at overseas locations.

In the opinion of R. S. Mehra, deputy chairman of the Cotton Textiles Export Promotion Council, things are not so rosy.

"Liberalization will open up tremendous opportunities for India," he says, "but as regards textiles, we could do with some international support under the Multi-Fiber Arrangement."

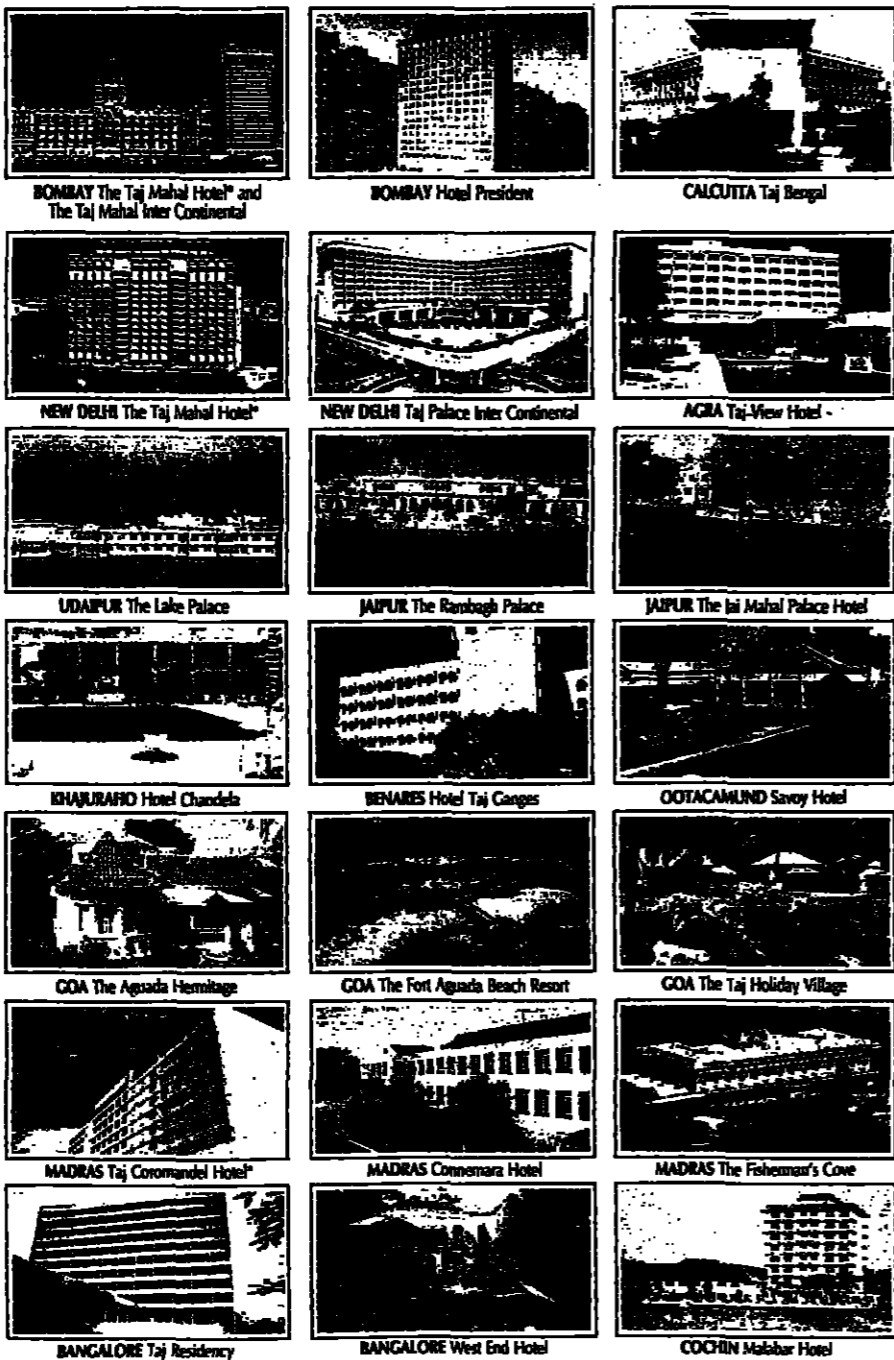
He points out that the \$5.4 billion in exports of textiles and apparel from India is hampered by restrictive quotas. Though the quality of Indian fabrics, cloth and yarn is on a par with that of other countries in the region, he says that China, Bangladesh, Turkey, Pakistan and South Korea have large export quotas, while Indian exports stagnate. The perceived discrimination is worrying, since textiles and textile products form a big chunk of exports from India.

India's hand-made carpet industry earns the country about 7 billion rupees (\$250 million) in foreign exchange a year, and employs a million and a half artisans, according to the Carpet Export Promotion Council. Uttar Pradesh accounts for nearly 70 percent of production, with more than 5,000 villages weaving carpets for export.

In the German market alone, exports increased from 1.5 million rupees in 1989 to 2 billion rupees in 1991, representing about 3.2 million square meters of rugs.

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ADVERTISING SECTION

Foreign Investors Are Eager To Tap Enormous New Market

The list of companies that have decided in recent months to invest in India includes General Motors, Ford Motor Co., Coca-Cola, B.F. Goodrich, Kellogg, C. Itoh, Cargill, Benetton and Polaroid.

Said Jack Welch, chairman of General Electric, during a visit to India three months ago: "India is going to be one of the two mega-markets of the next century [with China]. And we want to be able to capitalize on that when it happens." Indeed, General Electric expects to expand its business in India from \$150 million today to a billion dollars by the year 2000.

A string of government policy changes have made the traditionally inward-looking Indian economy more welcoming to foreign investors. Earlier this month, India's booming stock markets — said to be the third-largest among the emerging markets of the future — were thrown open for the first time to

power sectors. Last year, rules were liberalized to make foreign majority shareholding much easier in joint ventures.

The results have been impressive. In 1990, the government approved foreign investment worth no more than \$90 million, down from \$185 million in 1989. But in the 12 months after the present Narasimha Rao government assumed office in July 1991, foreign investment approvals soared to \$1.23 billion. These investments will go into projects that involve a total investment of \$5.1 billion.

That is still small by Asian standards. Countries like China and Thailand attract far more international capital. But the throwing open of the stock

markets, which overseas the functioning of the stock exchanges, expects annual foreign investment in Indian shares of about \$2 billion. Private analysts endorse that figure.

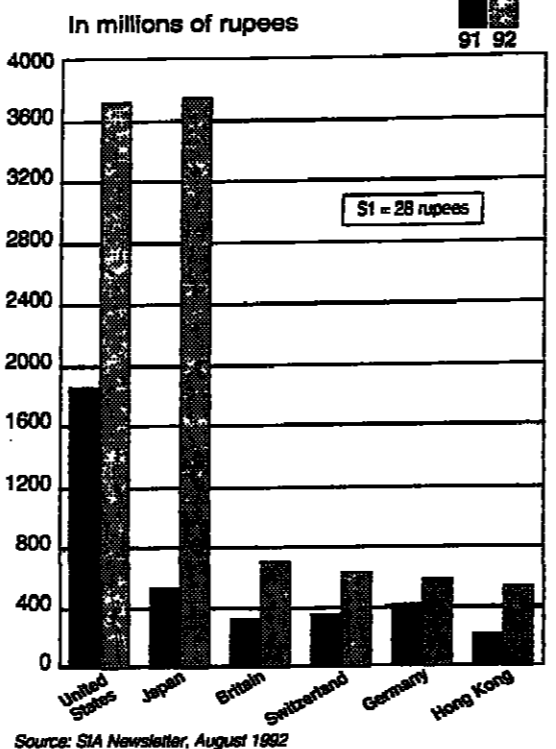
The telecommunications sector is another area in which the government has invited foreign investment. Fujitsu, Ericsson and Siemens have already been selected to provide switching equipment. Eight foreign companies are to be selected soon from 14 short-listed applicants to provide cellular phone services in the country's four metropolises; over 80 companies are vying for selection to provide paging services in the big cities. Says H. P. Wagle, chairman of the Telecom Commission: "We have opened up value-added telecommunications services, where the private sector has both the technology and the marketing skills."

The level of international interest in the Indian market has surprised many observers. As recently as May, Finance Minister Manmohan Singh was arguing that it would take time before substantial foreign investment could be expected. He said that global companies would wait to be sure of the success of the country's economic reform program and look for a lowering of corporate tax rates (expected early next year), apart from other changes in policy and improvements in the working environment. But earlier this month, a senior government official said that the extent of foreign interest in investing in the country was well beyond what he and many others in the government had expected.

General Electric is a good example of how quickly some foreign companies are moving in. The company had only a marginal presence in India until 1989, when Mr. Welch made his first visit to the country. Since then, GE has tied up joint ventures in the fields of engineering plastics, medical electronics and lighting systems.

Smoothing the Way for Foreign Investment

The government announced its new industrial policy in July 1991. So far this year, foreign investment approvals for some countries have more than doubled.



Next in line could be power generation equipment and electronic media.

Power-generating stations are almost certain to be a major area of foreign investment. Until recently, this sector was closed not just to foreign business but also to Indian private business, being reserved for public-sector investment. Now all that has changed.

In recent weeks, the government has cleared two power projects in which U.S. companies will

hold 51 percent of the equity and which will create the capacity to generate 1,000 megawatts of power. A high-level government team is now looking at a half-dozen other such proposals. The government hopes that 8,000 MW of power-generating capacity will be installed by foreign investors over the next five years.

Most foreign companies are attracted by the large Indian market with its total population of 850 million. Many also see India as an attractive place to source global supplies. General Motors has decided to team up with the local Hindustan Motors to manufacture the Astra, and is also shifting a radiator-cap factory to India for exporting to GM businesses worldwide. Says C. K. Birla, vice chairman of Hindustan Motors: "The Astra project is for the Indian market, but GM will be sourcing the supply of many automobile com-

Exchanging loans for investment

ponents from India, too."

Ford, too, is investing in a radiator plant. Suzuki has recently increased its stake in an Indian joint venture, Maruti Udyog Ltd., to over 50 percent prior to making the Indian venture its base for exporting small cars to Europe. Says R. C. Bhargava, managing director of Maruti Udyog: "We are already exporting a substantial part of our production; this will increase now that Suzuki has majority shareholding."

The soft-drink business is a good example of how India has become more friendly to foreign investors. It took PepsiCo five years of struggle before the company was allowed to enter the Indian market, in 1989. But that was on stiff conditions with regard to local equity partnership and export commitments. A couple of years later, when Coca-Cola sought to enter the market, permission came through quickly, and on far easier terms.

The same story is now being repeated in other sectors. As Mr. Welch said after meeting Prime Minister Narasimha Rao three months ago, the sense he got was that both the prime minister and the government wanted to move even faster on attracting foreign investment. If the intent is as unambiguous, and if the response from foreign business swells, India may well find that it can reduce its foreign loans and get the same dollars in the form of industrial investment.

T. N. Ninan

Technology Made in India: The Wave of the Future?

India may be among the 20 poorest nations in the world, but its industrial and technological development has sometimes been impressive. After all, how many developing countries can claim that they are simultaneously trying to build their own battle tanks, nuclear submarines, combat aircraft, helicopters and rockets?

Item: An Indian-designed "advanced light helicopter" took off in Bangalore for its maiden flight earlier this month. When the helicopters go into regular production, they will be introduced into the country's defense services.

Item: Half of the 11 mil-

space program. Projected exports: \$530 million by the year 2000.

Some observers see these efforts as overly ambitious. The tank project is at least two decades old, but the "Arjun" is still a long way from regular production and army use. It

op indigenous fertilizer-manufacturing technology have since been abandoned, but the private sector has been successful with the recent launch of a pickup truck, a station wagon and an estate car, all based on in-house design. The vehicles are do-



Current efforts in information technology focus on computer software.

lion new telephone lines that will be installed in India over the next five years will be based on Indian technology developed at the Center for Development of Telematics (C-DOT).

Item: The country's defense research organization has developed a range of four missiles, from the antitank weapon "Nag" to the intermediate-range ballistic missile "Agni," with a range of 1,800 kilometers (1,100 miles).

Item: A satellite designed and made in India, to be used for telecommunications and weather forecasting as well as the broadcasting of television programs, has been parked in geostationary orbit. Satellite-launched rockets are part of the space effort.

Item: The government has decided to set up a new company to market technological spin-offs from its

will also be many years before either the combat aircraft or the helicopter can be put into production. The nuclear submarine could take even longer.

Officials are reluctant to divulge many details of these and other projects.

ing well on the market. The pharmaceutical industry, for its part, has consistently developed its own processes to manufacture drugs that are discovered abroad (Indian patent law protects a production process, not the product itself).



Looking beyond technology transfer.



Indian share prices climbed after the government opened stock markets to foreign institutions earlier this month.

foreign institutional investors, and a carrot held out in the form of concessional tax treatment. A few weeks before that, the government, again for the first time, invited foreign investment in the oil and

markets to foreign institutional investors is expected to dramatically accelerate the inflow of international capital.

G. V. Ramakrishna, chairman of the Securities and Exchange Board of

Global Perspective Indian Expertise

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Meanwhile, skeptics question both the need to reinvent an Indian wheel and the country's ability to deliver on such ventures when its basic industry is still in need of modernization. But the fact is that the country has the world's third-largest supply of scientific and technological manpower, and the will to try to develop an independent base in areas where technology imports may prove difficult.

In any case, there are success stories. The space program is certainly one, given that it has launched both rockets and satellites. The telecommunications technology project is another, since C-DOT has successfully commissioned telephone exchanges with capacities of up to 10,000 lines each.

In more commercial areas, like the development of computers, a public-sector company developed its own minicomputers before giving up in the face of rapidly advancing technology elsewhere. Now efforts in the field of information technology are aimed at the development of computer software. Exports last year were no more than \$150 million, although they are set to grow rapidly because of the availability of cheap software engineers.

Parallel efforts to devel-

The international pressure to change patent laws is mounting. In recent years, technological efforts in other fields have been hampered by restrictions on the sale to India of a variety of high-tech gadgetry. The United States recently refused the sale of a supercomputer to the Indian Institute of Science at Bangalore, although the sale had initially been cleared. The international Missile Technology Control Regime has also come into play. The availability of nuclear technology has long been limited by India's refusal to sign the Nuclear Nonproliferation Treaty, which the country sees as discriminatory.

Still, these issues have not stood in the way of such projects as an indigenous effort to develop parallel-processing, special-purpose supercomputers at the Center for Development of Advanced Computing (C-DAC).

Despite such big-ticket, flag-carrying projects, the fact is that Indian industry is technologically dependent on external sources in virtually every field of enterprise. Even in the years when the country was not very welcoming to foreign investors, Indian industry consistently looked to foreign companies for their technology — as it will continue to do.

T. N. Ninan

This advertising section was produced in its entirety by the supplements division of the International Herald Tribune's advertising department. • **Sulist.** • T.N. Ninan is a business journalist based in New Delhi.

سكيا من الامم

سكنا من الامل

Air Links and Hotels Augment Touristic Treasures

Like the goddess Durga, who has eight hands, the tourism ministry is now moving simultaneously on a host of fronts: more hotel rooms, easier air travel, cheaper tourist visas and a range of new fairs and festivals as well as special tourist areas.

For years, the tourism industry has been India's neglected stepchild, hampered by a lack of official encouragement and criticized by many as a rich man's fancy. Barely a million tourists visited India every year during most of the 1980s, compared to many times that number in countries like Thailand. But suddenly, tourism is seeing a burst of activity. The government unveiled an "action plan" last May aimed at more than doubling India's share of world tourist traffic in five years. Foreign-exchange earnings from tourism are projected to quadruple in the 1990s, to 100 billion rupees (\$3.5 billion). Some tourism officials believe this target will be reached well before the turn of the century.

On the docket now is a doubling of hotel capacity in three years and a range of new tourist options. Already, tourist arrivals have increased sharply, from 1.45 million last year to an anticipated 2 million this year. Revenue from tourism is expected to increase from 32 billion rupees last year to 45 billion rupees this year.

In the field of hotels alone, the southern state of Kerala is seeing the construction of as many as 39 new hotels, against a total

of just 30 that exist today. The projected growth of room capacity: 125 percent over 18 months.

Other southern states like Tamil Nadu, Karnataka and Andhra Pradesh are not far behind. According to B. K. Goewami, secretary in the department of tourism, the entire south will see a doubling of hotel capacity in less than two years.

In the north, a new class of heritage hotels is being encouraged. Old forts and palaces are being converted into hotels, aided by a special government subsidy. Twenty such hostels have already been classified as heritage hotels in the western state of Rajasthan, and nine are coming up in the eastern state of Orissa. In the country as a whole, 40 heritage hotels will open to guests in the space of a year.

Many international hotel chains are setting up shop in India, too. Those that have recently come to the country or are building properties include the Regent chain, Club Méditerranée, Days Inn, Best Western, Quality Inn and Southern Cross. A proposal to sell some of the hotels belonging to the India Tourism Development Corp. has been put on the back burner for the time being.

Air services are also being improved. The government has liberalized access to the Indian market for foreign airlines and is no longer insisting on strict reciprocal access for the state-owned Air-India. New services to India have been introduced in recent

air charters are being encouraged as well. From 120 tourist-carrying charters last year, the number is expected to reach 600 this year. Domestic air links are being improved with a new "open skies" policy that has put an end to the monopoly of the

ter service because of new competition.

Innovative vacation packages are part of the effort to get tourists interested in what has been an underdeveloped market. New island resorts off the southern coast are now planned, with foreign developers likely to move in. For the first time, an exclusive tourist area has been carved out of the Kerala coast, with 20 kilometers (12 miles) of reserved beach. A tourist authority has been set up to develop the complex. More such areas are on the drawing board.

Other new offerings involve a flood of special fairs and festivals, modeled on the successful Surajkund crafts fair on the outskirts of Delhi; adventure tourism packages using the draw of the Himalayas; and a new tea and tourism festival in the southern hill resort of Coonoor, including guided tours of tea gardens, a tea-tasting competition and snooker played on the table on which the game was invented.

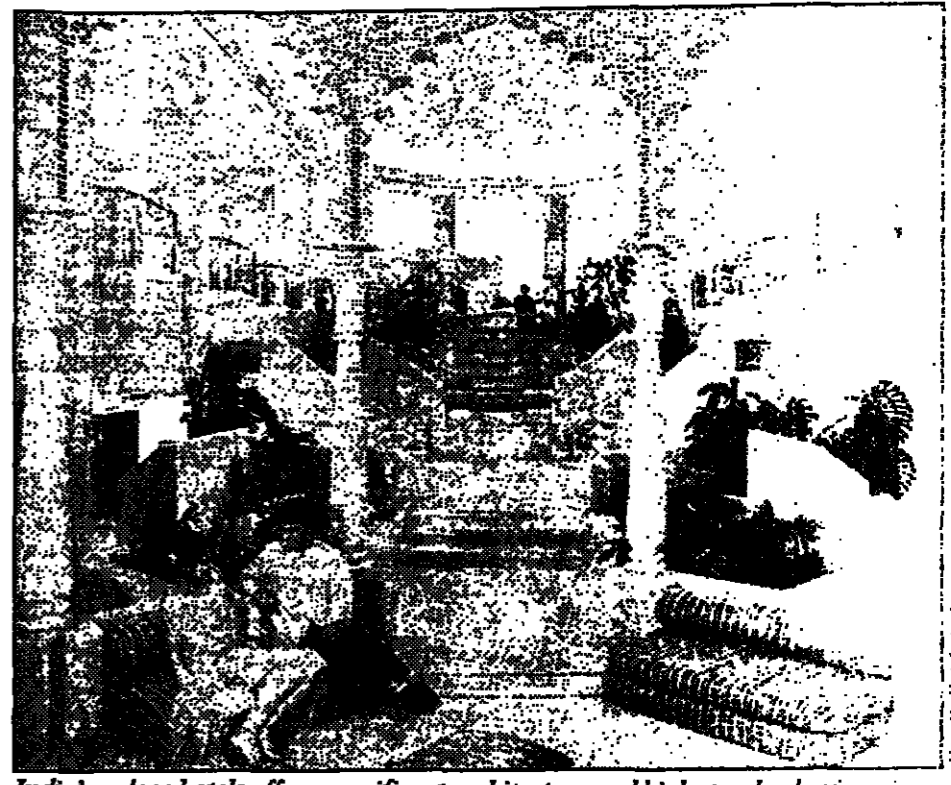
Tourist facilities and attractions are being improved. The U.S. National Park Service has been brought in to help develop the areas around monuments like the Taj Mahal and the Buddhist pilgrim center at Sarnath, in the state of Bihar. The Japanese government recently provided a loan-cum-grant of 1 billion rupees (\$35 million) to develop Buddhist pilgrim centers. Japanese tourists are also being encouraged to visit through the provision of



A 16th-century painting from the Gwalior Museum.

weeks by both Delta and United Airlines. Those planning to start flying to India in the near future include American Airlines and SAS, while KLM wants to increase the frequency of its flights.

state-owned Indian Airlines. Two small private airline companies are already in operation, and two more will start before the end of the year. Tourists will get the benefit of choice and, with luck, bet-



India's palace hotels offer magnificent architecture and high standards of service.

new and refurbished golf courses, seen as a way of enticing the well-heeled tourist. Finally, the sharp deval-

uation of the rupee, from 18 to the dollar early last year to 28 now, has made India a more attractive shopping option. A range

of special handicrafts is being tailored to capitalize on this new opportunity.

T. N. Ninan

Accelerated Reform Afoot in the Banking Sector

India recently opened up its capital markets to direct investment by foreign institutions. The move, which has received an enthusiastic response from international investors, is the latest in a series of drastic measures introduced by the government to reform the financial sector.

Until now, foreign investment in Indian capital markets was only possible through country funds, the first of which was launched in 1986. In May this year, another avenue opened up as Reliance Industries became the first Indian company to be allowed to issue equity overseas in the form of Global Depository Receipts. Now comes the final step: allowing institutional investors to directly buy and

CreditCapital Finance Corporation.

Now that India is attracting the attention of international investors, the stock markets, which had been subdued following a massive and complicated securities scam, have perked up. Mr. Desai warns, however, that several blue-chip stocks continue to be high-priced at current levels, which may prove to be a deterrent. Foreign investors are also worried about frequent closures of the stock markets and delays in settlements, he says.

Mr. Desai points out that the securities scandal has not diminished international interest in India. On the contrary, bankers believe that it will cleanse the system and accelerate reform in the banking and financial services industry.

India's banking system, almost entirely controlled by the state, has achieved a wide geographical reach and a branch network since it was nationalized in 1969. Under "social banking," banks reached out to small industrial and agricultural borrowers. Loan portfolios, however, have turned bad due to politically directed lending and high statutory reserve requirements — 43 percent currently, down from a peak of 53 percent last year. This has meant inefficiency and poor profitability.

A committee to suggest reforms in the financial sector, set up last year, recommended drastic changes in the banking system and the development financial institutions. Its recommendations are being implemented very gradually, sidetracked by the pressing need to control inflation and to resolve the foreign-exchange crisis.

In late April, India's central bank, the Reserve Bank of India (RBI), directed all banks with an international presence to achieve the Basel committee norm of 8 percent capital adequacy no later than March 1994. To increase capital base, the nationalized banks may soon offer

part of their equity to the public. Other banks were asked to achieve the capital risk asset ratio of 4 percent by March 1993 and 8 percent by March 1996. The central bank also revised accounting formats and income recognition norms to make them more transparent.

Another suggestion under consideration is to set up an Asset Recon-

struction Fund, which would take over the bad debts with which banks have been saddled. The RBI was also moving toward full acceptance of the committee recommendation that government borrowing be market-related. This led to two quick hikes in the coupon rate of government securities, unleashing an unprecedented turbulence in the financial markets in 1991-92.

A creeping back-door privatization of the banking sector is also taking shape. New private banks may be allowed to be set up. Already, bank take-

overs, strictly monitored by the RBI, have started. Over the past year, at least a half-dozen private banks have changed hands. In April this year, it appeared that the RBI would be more liberal in permitting foreign banks to open new branches and permit the entry of new banks.

The RBI is also trying to formulate a structure to integrate the vast international branch network of Indian nationalized banks. The overseas branches, though previously profitable, are now saddled with huge nonperforming assets, mainly due to inadequate appraisal.

Sucheta Dalal


New private banks may be allowed

sell shares in the Indian stock markets. Around \$2 billion is expected to find its way into the country through such direct investment.

Foreign securities houses are preparing to cash in on the opportunity by setting up equity research shops in India, though many of them feel that Euro issues by Indian companies are a more attractive proposition than direct investment in high-priced shares.

Shitin Desai, vice chairman of DSP Financial Consultants, part of a large broking and investment banking house, says that there is a tremendous demand for information on India in general as well as stock prices on a day-to-day basis. While DSP itself has had an affiliation with Merrill Lynch since 1986, at least four other firms have set up a base for equity research in India — Jardine Fleming (India) Ltd., Marlin Ord Minnett, Hoare Govett Asia and Smith New Court.

By virtue of its international presence, DSP Financial Services has been advising a number of investment bankers about possibilities of Indian tie-ups as well. According to Mr. Desai, among those who are likely to have some form of alliance in India are Bear Stearns & Co. Inc., J.P. Morgan, Credit Suisse First Boston, Goldman Sachs and Salomon Brothers. Lazard Frères already has a stake in an Indian company,




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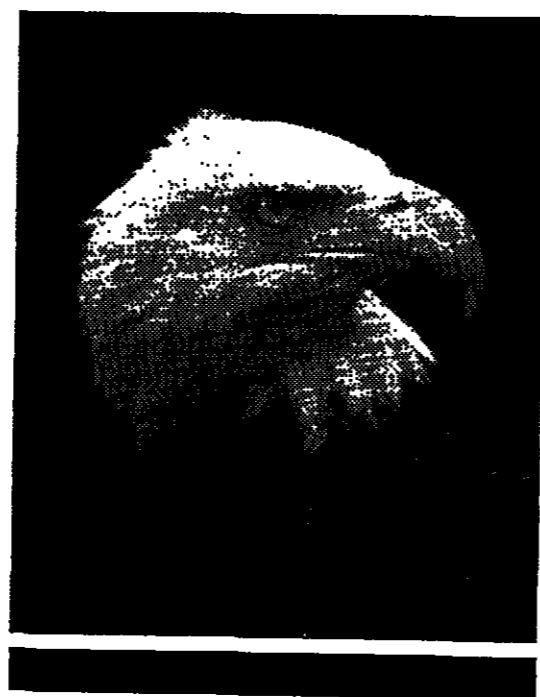
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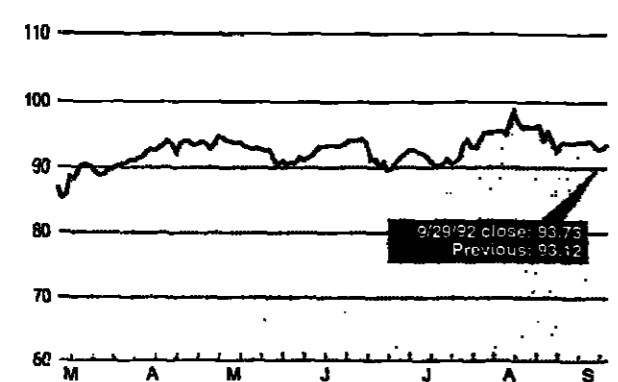
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CURRENCY



THE TRIB INDEX: 93.73

International Herald Tribune World Stock Index, composed of 230 internationally investable stocks from 20 countries, compiled by Bloomberg Business News. Jan. 1, 1992 = 100.



The index tracks U.S. dollar values of stocks in: Tokyo, New York, London, and Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Italy, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden and Switzerland.

Table with 3 columns: Asia/Pacific, Europe, N. America. Includes sub-tables for Industrial Sectors (Energy, Utilities, Finance) and a list of countries.

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MEDIA MARKETS

The Home-Video Craze Comes to Madison Avenue

By Bruce Horowitz Los Angeles Times Service

LOS ANGELES — Jeff Mackhoff was tooting around the Los Angeles area in his Toyota Tercel last summer when an ad on the car radio caught his attention. He only heard part of it — something about Toyota Motor Corp. looking for consumers to create their own commercials.

Madison Avenue has only recently caught on to the home-video revolution. In several years ago found its way into TV shows, night-night news and movie theaters. It should be no surprise that it took this long. Most ad agencies regard the home video as anathema because it threatens the ad world's shaky grasp on the mantle of creativity.

CURRENCY & INTEREST RATES

Table with multiple columns: Cross Rates, Eurocurrency Deposits, Key Money Rates, Forward Rates. Includes interest rates for various currencies and deposit terms.

London Weighs Life After ERM

4,000 British Jobs Cut

LONDON — The British economy suffered a new blow on Tuesday with the announcement of 4,000 job cuts after 6,000 losses had been announced last week.

The new job losses included about 2,000 at the government's Defense Research Agency, 112 at the Independent Television News station, 400 at telecommunications equipment maker Northern Telecom and an estimated 1,700 at the shoe retailing division of the Sears group.

The British retailer Sears PLC said Tuesday it was to close 350 shops over the next three years after announcing a pretax loss of \$3.8 million (\$15.2 million) for the first half of 1992, widened from a loss of \$2.4 million a year ago.

French Stocks Take Another Tumble

PARIS — French stock prices slid Tuesday, as continued worries about interest rates and bad economic news from the United States hurt European shares.

The CAC-40 index fell 2.17 percent, after falling 3.97 percent on Monday, as investors lost hope for any quick cut in French interest rates. The major indexes in Frankfurt and London eked out slight gains after being sharply lower early in the day.

GATT Clears Taiwan For Membership Bid

GENEVA — The General Agreement on Tariffs and Trade on Tuesday gave the go-ahead to Taiwan to start membership talks, overcoming long-standing political objections from China.

The chairman of the GATT council, Ambassador B.K. Zutshi of India, said a working party would be set up to set out full membership terms for Taiwan as a customs territory rather than an independent nation. However, he indicated that Taiwan would not be allowed to join the 105-nation trade forum before China, despite the fact that Taiwan's relatively open economy is more compatible with GATT's free trade principles than China's statist system.

Taiwan eased China's objections by applying as "Taiwan, Penghu, Kinmen, Matsu Customs Territory," rather than as an independent country. The British colony Hong Kong and the Portuguese colony Macau are already GATT members under a similar procedure.

Layoffs Mount Amid Grim U.S. Data

ARMONK, New York — Capping a day of already-bad news on the U.S. economy that was likely to harm the re-election prospects of President George Bush, International Business Machines Corp. on Tuesday raised its projection of job cuts for this year to 40,000 from 32,000.

IBM started the year with a prediction of 20,000 layoffs worldwide, and raised the prediction to 32,000 in July. A spokesman told the International Herald Tribune that all of the layoffs would be voluntary. "We have had a no-layoff tradition for 75 years, and we're not breaking it today."

Separately, a Textron Inc. defense unit said it would lay off 200 workers by the end of October and up to 1,200 more positions would be cut in the coming year "unless business improves dramatically."

Sears to Spin Off Dean Witter To Reduce Debt

CHICAGO — Sears, Roebuck & Co. said Tuesday it planned to sell to the public many of its financial services assets, including the Dean Witter brokerage house, to pay off \$3 billion of corporate debt in a new effort to resuscitate its ailing retail operations.

The decision would essentially put Sears back to where it was a little more than a decade ago as a retailer and insurance business. Shareholders critical of Sears management have demanded just such a move in recent years as the company's retail operations struggled to remain competitive with discount stores.

Since 1989, Sears has eliminated 48,000 jobs, refinanced its landmark Chicago headquarters and restructured its retail operations to compete more effectively. Kmart and Wal-Mart have surpassed Sears as the top U.S. retailers.

Edward A. Brennan, Sears' chief executive, said, "Refocusing our business strategy, changing our structure and reducing leverage are all in the best interest of our shareholders and Sears."

He denied that shedding most of the company's nonretail operations is a surrender to critics. "It's not a surrender to anybody," he said. "It's responsive to our shareholders."

A public offering of up to 20 percent of the Dean Witter group will be made during the first quarter of 1993. The balance of Sears' ownership in Dean Witter will be distributed to Sears shareholders later in 1993.

Other analysts disagreed. "The restructuring is a good way to raise money, but it's a financial transaction and it does nothing to improve the outlook for Sears' retailing business," said Marshall Front, president of Chicago-based Stein Roe & Farnham Investment Counsel. (UPI, Bloomberg, AP)

Arbed Sets Link With Usinor As Its Earnings Evaporate

LUXEMBOURG — Arbed SA, the biggest company in Luxembourg and the fifth-biggest European steelmaker, said Tuesday that its first-half profit nearly evaporated and that it would combine its main product activity with its French competitor Group Usinor-Sacilor.

Citing falling steel prices, Arbed said it earned a mere 364 million Luxembourg francs (\$12.0 million) in the first half of this year, down 88.5 percent from the first six months of 1991 as sales fell 7.0 percent to 98 billion francs.

Analysts said the fall was worse than expected and was proof of the decline in Europe's steel industry. "Arbed is basically a sound company — if it can only make these kind of profits, things must be bad," said Stefan Casteley, an analyst at Corley & Co. in Antwerp. (Reuters, APX)

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MARKET DIARY

Stocks End Mixed Amid Gloomy Data

NEW YORK — U.S. stocks ended mixed Tuesday amid gloomy data about the economic recovery, earnings outlook and the possibility of re-emergence of Ross Perot in the presidential election.

The Dow Jones industrial average fell 9.46 points to 3,266.80, but advanced 1.75 points to 3,268.55.

Trading was moderate, with about 172 million shares changing hands on the Big Board, up from 157.5 million on Monday.

The market continued to stabilize after last week's sell-off, but it's too early to expect stocks to go much higher, said Richard Clark, director of trading at Eagle Asset Management.

IBM slumped 1 1/2 points to 81. The company said after the market closed that it expected to take \$2.1 billion in restructuring charges this year related to job cuts.

GM was unchanged at 32 on news that the company resolved a four-day strike at a Lansing, Michigan, plant.

Time Warner fell 1/2 to 24, after Prudential Securities pulled the stock from its "buy" list.

Drug stocks rose. The sector gained 1.2 percent to 12.85, with Pfizer up 1/4 to 27 1/4.

Financial stocks were mixed. American Express fell 1/4 to 48 1/4, while Citicorp rose 1/4 to 44 1/4.

Technology stocks were mixed. Intel rose 1/4 to 27 1/4, while Microsoft fell 1/4 to 34 1/4.

Energy stocks were mixed. Exxon rose 1/4 to 28 1/4, while Shell fell 1/4 to 27 1/4.

Healthcare stocks were mixed. Johnson & Johnson rose 1/4 to 27 1/4, while Merck fell 1/4 to 26 1/4.

Consumer goods stocks were mixed. Procter & Gamble rose 1/4 to 27 1/4, while Coca-Cola fell 1/4 to 26 1/4.

Telecommunications stocks were mixed. AT&T rose 1/4 to 27 1/4, while WorldCom fell 1/4 to 26 1/4.

Real estate stocks were mixed. Sun Life rose 1/4 to 27 1/4, while MetLife fell 1/4 to 26 1/4.

Insurance stocks were mixed. Allstate rose 1/4 to 27 1/4, while Travelers fell 1/4 to 26 1/4.

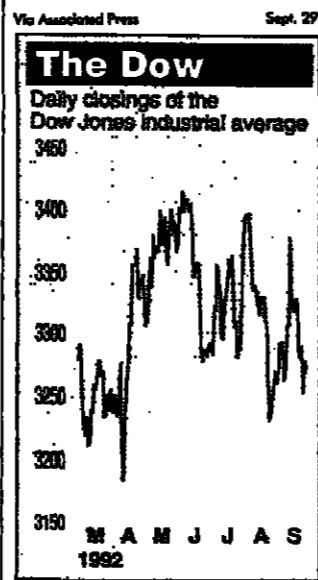
Automotive stocks were mixed. Ford rose 1/4 to 27 1/4, while GM fell 1/4 to 26 1/4.

Food stocks were mixed. Unilever rose 1/4 to 27 1/4, while Nestle fell 1/4 to 26 1/4.

Chemical stocks were mixed. BASF rose 1/4 to 27 1/4, while Dow Chemical fell 1/4 to 26 1/4.

Pharmaceutical stocks were mixed. Abbott rose 1/4 to 27 1/4, while Bristol-Myers fell 1/4 to 26 1/4.

Biotechnology stocks were mixed. Amgen rose 1/4 to 27 1/4, while Genentech fell 1/4 to 26 1/4.



The Dow Jones Industrial Average, 1982-1992

NYSE Most Active

Table listing NYSE Most Active stocks with columns for Volume, High, Low, Last, and Change.

AMEX Most Active

Table listing AMEX Most Active stocks with columns for Volume, High, Low, Last, and Change.

NASDAQ Most Active

Table listing NASDAQ Most Active stocks with columns for Volume, High, Low, Last, and Change.

NYSE Diary

Table listing NYSE Diary with columns for Volume, High, Low, Last, and Change.

AMEX Diary

Table listing AMEX Diary with columns for Volume, High, Low, Last, and Change.

NASDAQ Diary

Table listing NASDAQ Diary with columns for Volume, High, Low, Last, and Change.

Dow Jones Averages

Table showing Dow Jones Averages for Industrials, Transportation, Utilities, Finance, and SP 500.

Standard & Poor's Index

Table showing Standard & Poor's Index for Industrials, Transportation, Utilities, Finance, and SP 500.

NYSE Indexes

Table showing NYSE Indexes for Composite, Industrials, Transportation, Utilities, Finance, and SP 500.

NASDAQ Indexes

Table showing NASDAQ Indexes for Composite, Industrials, Transportation, Utilities, Finance, and SP 500.

AMEX Stock Index

Table showing AMEX Stock Index for Composite, Industrials, Transportation, Utilities, Finance, and SP 500.

Dow Jones Bond Averages

Table showing Dow Jones Bond Averages for 10 Bonds, 20 Bonds, and Industrials.

Market Sales

Table showing Market Sales for NYSE, AMEX, and NASDAQ.

N.Y.S.E. Odd-Lot Trading

Table showing N.Y.S.E. Odd-Lot Trading for various stocks.

S&P 100 Index Options

Table showing S&P 100 Index Options for various strikes and expirations.

EUROPEAN FUTURES

Table showing European Futures for Food, Metals, and Financial.

Food

Table showing European Futures for Food commodities.

Metals

Table showing European Futures for Metals commodities.

Financial

Table showing European Futures for Financial commodities.

Stock Indexes

Table showing European Futures for Stock Indexes.

Spot Commodities

Table showing European Futures for Spot Commodities.

Dividends

Table showing European Futures for Dividends.

U.S. FUTURES

Table showing U.S. Futures for Grains, Metals, and Livestock.

Grains

Table showing U.S. Futures for Grains.

Metals

Table showing U.S. Futures for Metals.

Livestock

Table showing U.S. Futures for Livestock.

Financial

Table showing U.S. Futures for Financial.

U.S. / AT THE CLOSE

Rohatyn Says World Finance at Risk

WASHINGTON (Bloomberg) — Massive U.S. borrowing and the \$4 trillion debt it created have combined with uncoordinated world interest rates to imperil the global financial system, Felix Rohatyn, chairman of New York City's Municipal Assistance Corp., said Tuesday.

Continental Asks for Court Delay

WILMINGTON, Delaware (AP) — Continental Airlines Inc., which is weighing four investment offers, asked for more time Tuesday to file its reorganization plan with U.S. bankruptcy court.

KLM Sets Venture with Mexican Line

AMSTERDAM (Bloomberg) — KLM Royal Dutch Airlines and Mexicana de Aviación, Mexico's largest carrier, signed a joint venture agreement allowing KLM's passengers easier access to Latin American destinations, the Dutch flag-carrier said Tuesday.

For the Record

Microsoft Corp. said it would not begin shipping Windows NT, a new software operating system, until at least early 1993 due to delays in corporate testing.

Barnes & Noble Inc., the nation's second-biggest bookseller, said it would raise \$100 million through a private equity sale and would not proceed with a proposed initial public offering of stock.

Procter & Gamble Co. and Nigeria's Link-Up Investments Ltd. said they formed a joint venture to market health care products in Nigeria.

Revo D.S. Inc. said its loss in its first quarter after emerging from bankruptcy protection narrowed to \$1.54 million from \$14 million a year earlier.

Ford Motor Co. said Tuesday it is phasing out use of the main chemical believed to deplete the ozone layer of the atmosphere.

DOLLAR: Currencies Are Rattled

(Continued from page 1) dampening hopes of a cur at the meeting on Friday.

Asked when interest rates might fall, he said: "I hope in the not-too-distant future — say in six months' time — we may be in a position to do that."

Mr. Miller said German interest rates had to be kept high for the time being because of wage and inflation pressures.

The official's comments mark the first time the Bundesbank has put a loose time frame on possible interest rate cuts since Germany lowered rates earlier this month.

Analysts said they were at a loss to explain why the dollar took so much of the heat on Tuesday rather than sharing it with the French franc, whose recovery seemed to depend on an accommodation from the Bundesbank.

Market participants, betting on a devaluation of the franc, "have been burned by the combined Bundesbank-Banque de France defense of the franc," Mr. Persaud said, and they may not want to sell francs again until they see the outcome of the Bundesbank council meeting on Friday.

Sweden's Gota Is Bankrupt

STOCKHOLM — The Swedish holding company Gota AB, owner of Gota Bank and Gota Finans, declared bankruptcy on Tuesday, claiming debts of up to 5 billion kronor (\$926 million).

The Swedish insurance company Trygg-Hansa SPP, the main owner of Gota AB, stands to lose 1.5 billion kronor. Large companies and several banks stand to lose 2.5 billion kronor on mortgages and other loans.

WORLD STOCK MARKETS

Table showing World Stock Markets for various cities including Amsterdam, Brussels, Frankfurt, London, Madrid, Milan, Paris, Sao Paulo, Singapore, Stockholm, Tokyo, Zurich, and others.

Table showing World Stock Markets for various cities including Sydney, Hong Kong, Seoul, Taipei, and others.

Table showing U.S. Futures for Grains, Metals, Livestock, and Financial.

Table showing U.S. Futures for Metals, Industrials, Heating Oil, Cotton, and Stock Indexes.

Advertisement for 'كندا من الأصل' (Canada from the original) with a logo and contact information.

New Digital Chief Plans Big Changes

By Glenn Rifkin
New York Times Service

MAYNARD, Massachusetts — Robert B. Palmer is not planning to hold to the status quo for long after he takes over as president and chief executive of the Digital Equipment Corp. on Thursday. Mr. Palmer is planning to carry out major organizational changes within the troubled computer maker, according to internal memos obtained by PC Week, an industry trade publication.

The documents lay out a "new direction" for Digital, in which a new, more focused organizational structure will make the company far more customer-driven than it has been in recent years. Digital has been hit hard in recent years, posting a loss of \$2.8 billion for the year ended June 27.

"Our products are difficult to understand and to sell," Mr. Palmer writes in the documents, copies of which were also obtained by other reporters. "It is difficult for customers to do business with us. Over all, our business practices, processes, services and products are not competitive and are not satisfying our customer's requirements."

Mr. Palmer's plans call for the company to "re-engineer" all of its

business practices and processes to make it far easier for customers to order and receive Digital's products.

A Digital spokesman called the documents "confidential" and said the company would have no com-

ment. He noted the information represented "work in progress."

In one memo, Mr. Palmer proposes what he calls a "supply-chain strategic plan" for Digital that will eliminate overlapping and competing engineering and business units. He complained existing processes

and systems were not created with any comprehensive plan and that they have resulted in "redundant efforts."

Among the prospective plans: to combine all of the company's hard-

ware development efforts under one hardware engineering group and all of its networking products under a separate single group. He expects such consolidation to result in cost reductions of \$1 billion and asset reductions of \$1 billion, according to the memo.

Mr. Palmer instituted broad changes in Digital's manufacturing and logistics organization, which he ran before being named to succeed Kenneth H. Olsen, who resigned in July. Mr. Palmer received high grades from analysts for consolidating and streamlining Digital's manufacturing process after taking over that operation in November 1990. The company reduced its work force by 20,000 during the period with 70 percent of the cutbacks coming from Mr. Palmer's organization.

Analysts predicted Mr. Palmer's changes would result in some high-level management shake-ups.

'Over all, our business practices, processes, services and products are not competitive and are not satisfying our customer's requirements.'

Robert B. Palmer, Digital's chief executive.

NASDAQ

Yesterday's Prices
NASDAQ prices as of 4 p.m. New York time.
This list compiled by The NYSE consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

Symbol	Price
IBM	130 1/2
GE	39 3/4
AT&T	47 3/4
SP500	319 1/2
DOW JONES	314 1/2
AMER	24 1/2
ENR	32 1/2
DIS	47 3/4
DUKE	51 1/2
GOV	12 1/2
HON	67 1/2
JPM	39 1/4
KODK	45 1/4
LYB	29 1/4
MC	33 1/2
MSFT	51 1/2
ORCL	29 1/4
QCOM	59 1/4
SAF	21 1/2
T	38 1/4
UNION	24 1/2
W	47 3/4

Tuesday's Closing
Tables include the nationwide price up to the closing on Wall Street and do not include trades elsewhere. Via The Associated Press

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IBM	130 1/2
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AMEX

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IBM	130 1/2
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SAF	21 1/2
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UNION	24 1/2
W	47 3/4

كذا من الأصل

Battle for Freia Heats Up Hershey Weighs New Offer for Norway Firm

OSLO — The battle for Freia Marabou, a Scandinavian candy maker, heated up on Tuesday as Hershey Foods joined forces with a Norwegian company to consider making a counteroffer to Kraft General Food's \$1.46 billion bid.

GPA Sees Big Drop In Profits

SHANNON, Ireland — GPA Group PLC expects a "significant reduction" in operating profit in its second quarter, which ends Sept. 30, chairman Tony Ryan said Tuesday at the airplane leasing concern's annual meeting.

Sales Slump Forces Porsche to Cut Jobs

STUTTGART, Germany — Porsche AG, Germany's troubled luxury sports-car maker, said Tuesday that its sales dropped 12.9 percent in the latest year, and it announced plans to cut 1,000 jobs.

Investor's Europe table with columns for Frankfurt DAX, London FTSE 100 Index, Paris CAC 40, and various other indices with their respective values and changes.

Banks Said to Back Docklands Line

LONDON — Bankers for Canary Wharf are offering immediately to put up £100 million (\$172.6 million) for an underground train line to the unfinished office development, two sources said Tuesday.

U.S. Toughens Stance On EC Oilseed Dispute

GENEVA — The United States on Tuesday said the European Community must agree to binding arbitration in a four-year-old dispute over oilseed subsidies or face massive international trade retaliation.

GLOOM: U.K. Weighs the Costs

(Continued from first finance page) ERM. British interest rates, some economists argued, would have to be set well above those of Germany to compensate investors for the increased risk of holding sterling-denominated assets.

BUSINESS OPPORTUNITIES

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PARIS - FOR SALE EXCEPTIONAL LOCATION FACING LOUVRE MUSEUM 70 M2 - 12 M. TERRACE PRICE: 3.8 M. FF

VIDEO: Madison Avenue Discovers the Benefits of Consumer-Made Ads

(Continued from first finance page) Toyota found only eight broadcast-worthy ads out of the 150 entries it received — and even then, only after heavy editing. Pepsi was so disappointed with the quality of the ads it received that instead of airing a single winning ad, it was forced to splice brief moments from 10 of them together into one 30-second spot.

ACROSS 1 Like a bee 2 Ancient measure of length 10 Upper-body sculpture 14 Singer James 15 Occupied 16 Unique person 17 Irritate 18 Jewish month 19 Hahn or Klemperer

TO OUR READERS IN HOLLAND The International Herald Tribune is now on newsstands throughout Holland every morning six days a week Monday-Saturday.

NYSE

Tables include the nationwide prices up to the closing on Wall Street and do not reflect the trades elsewhere. Via The Associated Press

Symbol	Price	Change
IBM	100.00	+0.25
MSFT	55.00	+0.50
ORCL	45.00	+0.25
INTL	35.00	+0.10
DISC	25.00	+0.15
WALT	15.00	+0.05
AMZN	10.00	+0.10
GOOG	5.00	+0.05
APPL	3.00	+0.02
MSFT	55.00	+0.50
ORCL	45.00	+0.25
INTL	35.00	+0.10
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New Chip
Divides
Samsung
Hyundai

NYSE
Tuesday & C

صحة من الامل

New Chip Divides Samsung, Hyundai

SEOUL — South Korea's top computer-chip makers traded insults on Tuesday over who deserves the acclaim for developing a new generation of semiconductors. Hyundai Electronics Industries Co. accused Samsung Electronics Co. of breaking an agreement, a charge Samsung vigorously denied.

Bailing Out Unsinkable Banks

By Paul Blustein Washington Post Service TOKYO — Until a few months ago, Japanese officials said it could not happen here. The common belief was that only in the United States would the government be forced to spend vast sums bailing out savings and loan institutions. In Japan, it was thought, the banking system was too sound, too stable and too tightly regulated.

Japanese Recovery Remains Elusive

Compiled by Our Staff From Dispatches TOKYO — Economic indicators released Tuesday gave a conflicting picture of the prospects for a quick end to Japan's recession. A surge in the index of leading indicators suggested that recovery might be at hand, but industrial production figures — normally more reliable — painted a gloomier picture, economists said.

Investor's Asia

Table with columns for Hong Kong, Singapore, Tokyo, etc., showing market indices and exchange rates.

Very briefly:

- Canon Inc., the Japanese office equipment maker, said its new color photocopiers would be too smart for banknote forgers... Chang Hwa Commercial Bank, a Taiwan state-run bank, said it obtained approval from Japanese authorities to open a branch in Tokyo...

TO OUR READERS IN HOLLAND

The International Herald Tribune is now on newsstands throughout Holland every morning six days a week Monday-Saturday. If you have problems getting your copy, please contact: Edipress International BV.

Cooling Off Period for China Stocks

BEIJING — Prime Minister Li Peng, concerned about social unrest in the event of a stock market crash, has ordered a "cooling off" period that will severely curb new issues, industry sources said Tuesday.

Danang Development Push

BANGKOK — An Australian group is negotiating a \$625 million joint venture with the Vietnamese government to turn the central port city of Danang into an international tourism center, Vietnamese media reported Tuesday.

NYSE Tuesday's Closing. Tables include the nationwide price up to the closing on Wall Street and do not reflect late trades elsewhere.

Market data tables including NYSE Highs-Lows, AMEX Highs-Lows, and various stock prices.

WestLB advertisement featuring an image of a building and the text 'Introducing the German bank that offers finely tuned instruments in international finance: WestLB.' Includes contact information for various offices.

Handwritten Arabic text: مكتبة من الأصل

SPORTS SOCCER

United Ousted In UEFA Cup

Compiled by Our Staff From Dispatches

Manchester United, down to 10 men, was beaten, 4-3 on penalty kicks by Moscow Torpedo in a rain-soaked UEFA Cup match Tuesday in Moscow.

Neither side could score in regulation or overtime, and Gary Pallister kicked the crucial penalty shot straight at diving goalkeeper Alexander Podshivalov.

That put the Moscow team in the second round because the teams had battled to a draw in their first-leg match in Manchester.

United's Mark Hughes had been sent off in the 88th minute when he angrily kicked the ball away for his second bookable offense.

Paul Ince and Denis Irwin put United up, 2-0, in the shootout but Steve Bruce's shot was blocked and Brian McClair's went over the crossbar while Dimitri Ulyanov and Alexei Artyev scored to make it 3-2.

Bryan Robson, in his first game since April, made it 3-3, but Genadi Gritsin put Torpedo, 4-3, ahead and Pallister's miss put United out of the tournament.

United's manager, Alex Ferguson, left Robson on the bench for 37 minutes, then decided he needed to stiffen his midfield against the free-running Igor Chuganov and Sergei Shustikov.

Robson was soon in the thick of the action, starting and almost finishing a superb move.

He was tackled as he launched himself at Ryan Giggs' cross, but still managed to produce a powerful strike that forced Podshivalov to dive full length to knock away the ball.

United were never comfortable against Torpedo's sharp breakaway thrusts and the Russians had three penalty claims dismissed by Danish referee Jan Dangsager.

United goalkeeper Peter Schmeichel had to make the save of the match in the 58th minute when Andrei Talayev drove in a cross from Almazayev.

In Larissa, Cyprus, Perluigi Casiraghi scored twice as Juventus of Turin won 4-0 against Anorthosis of Famagusta. Juventus had won the first leg, 6-1, over the semi-finalist team.

In Germany, Frank Mill scored

a hat-trick in the final 18 minutes as Borussia Dortmund overwhelmed Malta's Floriana, 7-2, to advance with an 8-2 score on aggregate.

The Germans scored five times in the second half after trailing, 2-1, with the match 17 minutes old.

In Istanbul, Galatasaray beat Katowice, 2-1, in a match that ended with three Polish players being sent off, and advanced by the same aggregate score.

A 56th minute penalty shot from German player Falco Gotz, which won for Galatasaray, was played violently protested by the Polish players and Roman Szwedzysk was sent for arguing with Welsh referee Roger Gifford.

Krzysztof Maciejewski made it 2-1 aggregate in the 75th minute but Polish chances were swept away when Leslow and Juercaiski were sent off in the last 10 minutes.

Frem, of Denmark, beat Xamax Neuchatel of Switzerland, 4-1, and advanced by 6-3 on aggregate.

Cup Winners' Cup

Liverpool, the English FA Cup holder, had to rally a goal down on Cyprus to beat Apollon Limassol, 2-1.

Liverpool gained the second round, 8-2 on aggregate.

Ian Rush got the tying goal in the 62nd minute and young Don Hutchison got the winner after 68 minutes.

Steaua Bucharest, playing at home, qualified for the second round with a 4-0 trouncing of the Bohemians of Ireland.

In Istanbul, Galatasaray won a bad-tempered UEFA Cup match against Katowice in Istanbul on Tuesday which ended with three Polish players being sent off.

A 56th minute penalty from German player Falco Gotz won for Galatasaray, and was angrily protested by the Polish players.

Krzysztof Maciejewski made it 2-1 on aggregate in the 75th minute but Polish chances were swept away when Leslow and Juercaiski were sent off in the last 10 minutes.

In Denmark, AGF Aarhus held AIK Stockholm to a 1-1 draw and advanced on away-goal advantage of a 4-4 aggregate.



Mark Hughes of Manchester United was sent off in the 88th minute when he kicked the ball away and then the English team was eliminated from the UEFA Cup tournament during a penalty shootout.

Death Overshadows Rebirths

International Herald Tribune

LONDON — Yet again, death in the stadium overshadows all the joys of soccer. While in Rome and Seville thousands flocked to the rebirths of Paul Gascoigne and Diego Maradona, reports from Budapest attributed the death of a fan to the beating he was given by Slovak police during the first leg of the Club Champions' Cup match between Slovan Bratislava and Ferencvaros on Sept. 16.

I link the return of two errant talents to the death of the young Hungarian because both illustrate how a once-simple sport has veered toward dangerous extremes. On one hand is the craving to see something, someone, exceptional; sport as an escape into fantasy. On the other is the tragedy that arises when passion becomes the agent of hysteria or cold blooded violence.

We seek in Maradona and Gazza evidence that art survives in soccer. But no sooner do they set out to entertain than an atrocity elsewhere begs the very question: Can people play and mix in the way the game was meant to be?

If the Budapest hospital bulletin that said the unnamed fan died as a result of Slovak police brutality is proved true, then the charge should be murder. But even without the death, an unnerving photograph by Csaba Toroczai of Reuters, published on this page Sept. 18, ought to have made UEFA declare Bratislava off limits unless visitors' safety can be assured.

The photo showed uniformed men in black balaclava masks laying into young fans, some of them women, with truncheons. According to many witnesses, the assaults were unprovoked and indiscriminate.

The photo gives credence to these claims. It is a picture that haunts even those of us who have been in stadiums to see death caused by mindless fighting, by overcrowding, by criminally insecure structures.

Down the years, police in many places have failed to protect fans, even fired on them in panic in Latin America. But never before, to my knowledge, has the evidence seemed to apparently show wanton attacks by a militia, as in Bratislava.

UEFA was quick to reject Ferencvaros appeals to annul its 4-1 defeat there on the grounds that its team had felt intimidated. UEFA promptly fined both clubs \$11,500 — Bratislava for failing to inform the European soccer authorities that the match was likely to be of high risk, Ferencvaros because its fans had a history of hooliganism.

SOMETHING does not add up. Ferencvaros, indeed, has had a notorious following for which it only recently paid \$20,000 in two fines to UEFA. Why, then, would UEFA need informing that a Club Champions' Cup match between that team and the Czechoslovak champion was likely to involve risk?

Furthermore, what kind of authority is it that does not know of the political tensions building up in the breakaway Slovakia, and the ethnic hostilities brewing in Bratislava, which once was a province of Hungary?

UEFA dodged responsibility. Its criticism of an "excessive" reaction by the masked militia was shrugged off by the Slovak interior ministry retort that the police action was "adequate," confined to hard-core Hungarian hooligans and seriously hurt nobody.

With the claim that a person died in Hungary after being refused treatment at a Slovak hospital, it must be clear even to UEFA that the second leg match, scheduled for the UEFA stadium in Budapest this Wednesday, carries an intolerable risk.

That match should be called off. UEFA should bear the cost (from its fines, perhaps) of recompensating the clubs and deciding (perhaps by a match on neutral soil) which advances in the tournament. It cannot decide in an office in Bern, any more than it can be decided in a sports column, what to do about the ethnic hatred tearing apart former eastern European nations. But if UEFA wishes to remain the governing body for 48 European federations it simply cannot go on fining clubs for violence while disclaiming all responsibility.

Soccer, throughout the world, feeds off the theater in which players excite vast crowds. There are dangers in that, but also wonderful, wonderful releases of passion when we see the dimpling few who conjure up the magic that Italians call "inventing the game."

That is why Maradona and Gascoigne, for all that their 18-month absences were to some degree self-inflicted, attracted thousands to their comebacks.

Sensible fans knew that these were exhibitions, and that the competitive tackles would not be made. Many of the customers went willingly to the stadiums to be floored of hard earned cash. But they were repaid, by Maradona particularly, with passes played and creative that showed that, while the body may yet be several pounds overweight, the mind is still a far quicker, more imaginative thing than all those about it.

After their matches, both Maradona and Gascoigne thanked the Almighty for their comebacks. That much was at least a humble improvement; some time ago they gave every impression of thinking they were gods themselves.

WAITING for Gazza, commented Gian Marco Calenti the deposed president of Lazio who first attempted to sign him, had been like "a 15-month pregnancy, but at last the baby has arrived."

Well, yes. Both Gazza and Maradona are babies of fortune. Their gift is in never having outgrown the child-like impulse to let instinct move them. And this, communicated to an audience, is what makes the world go round.

We should protect it; instead we allow the coaches to put results before the ambience between players and supporters.

That is why Zimbabwe has, at short notice, moved its opening World Cup qualifying match against Togo in Harare from Sunday, Oct. 11, to Friday, Oct. 9. This allows goalkeeper Bruce Grobbelaar to play for Zimbabwe before jetting back to Liverpool, where his testimonial match as a reward for 10 years of service to Liverpool takes place that Saturday.

No problems there. Club loyalty is a rare thing these days. But the disregard for Zimbabwe supporters was spelled out by the team's German coach, Reinhard Fabisch.

"I would rather have Grobbelaar in goal and 10 spectators on the terraces," he said, "than play with some other keeper with 50,000 watching."

The fan, in other words, is valued less than the designs of the coach.



Rob Hughes on the staff of the Sunday Times.

Maradona: 'Like a Player Again'

By Doug Cress
Special to the Herald Tribune

SEVILLE, Spain — Diego Maradona spoke like a man with a new lease on life.

"Today I felt free, I felt again like an official soccer player," he said after setting up two goals and showing flashes of his old brilliance during FC Seville's 3-1 exhibition match victory over Bayern Munich on Monday night.

A year and a half away from soccer hadn't diminished the charisma, but although Maradona insisted he was only a few pounds over his playing weight of 191, the talent was a little flabby.

"I'm very happy to have played 90 minutes on the field, but the last 20 were tough," said the man who has been nicknamed *La Pelusa*, the Teddy Bear, by the Spanish press. "This is the beginning of a new era. I know it won't be easy. Sevilla is not Napoli," from which he was obtained for a \$7.5-million transfer fee last week.

Playing before just 37,000 in the 70,000-seat Sanchez Pizjuan stadium — officials said the crowd had been held down because the match was televised locally and season-ticket holders had to pay to attend — Maradona was greeted by rousing cheers when he stepped onto the field for pre-match warm-ups. And when he returned in uniform 20 minutes later, he had sprint from one side of the field to the other to avoid the swarm of photographers that threatened to engulf him.

A steady chorus of songs, chants and cheers of *Que Bonito!* — How Beautiful! — continued throughout the 90-minute match.

"That's why we need Diego Maradona back in soccer again," said the Bayern Munich midfielder Lothar Matthäus, another refugee from the high-pressure world of Italian soccer. "You can't tell me there is any other player in the world that can produce a response like this."

BOOKS

BLAND AMBITION: From Adams to Quayle, The Cranks, Criminals, Tax Cheats and Golfers Who Made It to Vice President

By Steve W. Tally. 395 pages. Paper-back, \$10.95. Harcourt Brace Jovanovich, Inc., 1250 Sixth Avenue, San Diego, California 92101.

Reviewed by Timothy Foote

HE only charitable view possible here is that Steve Tally's publisher snuck him with a dumb pun for a title, thinking it would sell books, and Tally felt obliged to write down to it. He gets into trouble right off trying to define bland ambition. "It is their lack of conviction that makes their ambition so bland," he writes, lumping all 44 vice presidents together. "They are all sizzle and no steak."

He seems to know better, of course, and is soon backtracking. If conviction and ambition could be converted into electricity, you could light the entire city of Seattle for a decade from the raw ambition and (sometimes) wrong-hearted conviction of a good handful of vice

presidents whose names come easily to mind: John Adams, Thomas Jefferson, Aaron Burr, John C. Calhoun, Teddy Roosevelt, Lyndon Johnson. To say nothing of Harry Truman, who, perhaps because he had not had time to be demoralized by the job, revived everybody's flagging faith in its usefulness.

The office, of course, is the oldest political punching bag in America. The vice president has nothing to do except break tie votes in the Senate and wait around for the president to die. Lyndon Johnson, not one of your more sensitive operatives, admitted that in John F. Kennedy's presence he "felt like a goddamn raven." Indeed, for two centuries everybody has knocked the job, especially those who've tried it.

But that had mainly to do with the office, not the man who occupied it. Steve Tally has taken a different tack. He has chosen to belabor the vice presidents themselves, on the assumption that willingness to accept the job is proof of some defect in character.

Deriding vice presidents, of course, is like shooting arrows at a row of tethered blimps: Even if your aim is terrible, it is hard to miss entirely. There are boobs and scoundrels in plenty here. Men who drank or snored their way through four years of a nonjob, grew richer yet on poker and bribery or, in a few cases, rarely visited Washington. Men were mostly picked for negligible reasons — to balance, because they claimed to have killed the great Indian leader Tecumseh, even because nobody else at hand would take the job.

A lot of these men started with nothing and made it to near the top — Congress, the governorship of their states — with an effort that required interesting mixes of brains, character and tenacity. But the compulsion to decide at all costs, and to dismiss them as crooks or as just plain "quintessentially insignificant," deprives Tally's account of nuance, perspective and sometimes the whole point.

"Bland Ambition" is best in the bridge chapters that summarize changes in the laws regulating how vice presidents are

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CALVIN AND HOBBES



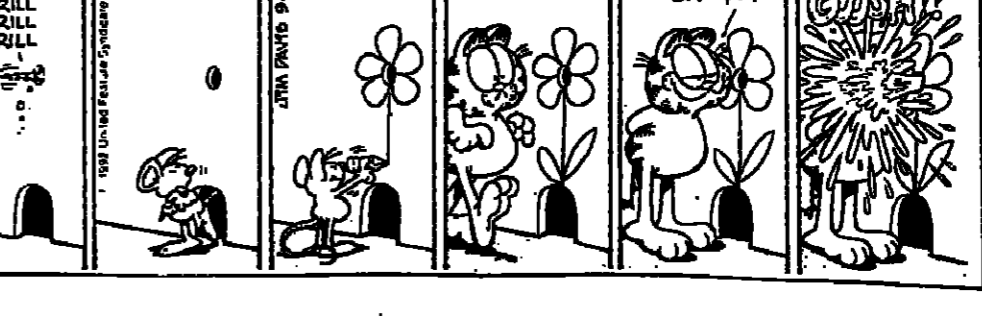
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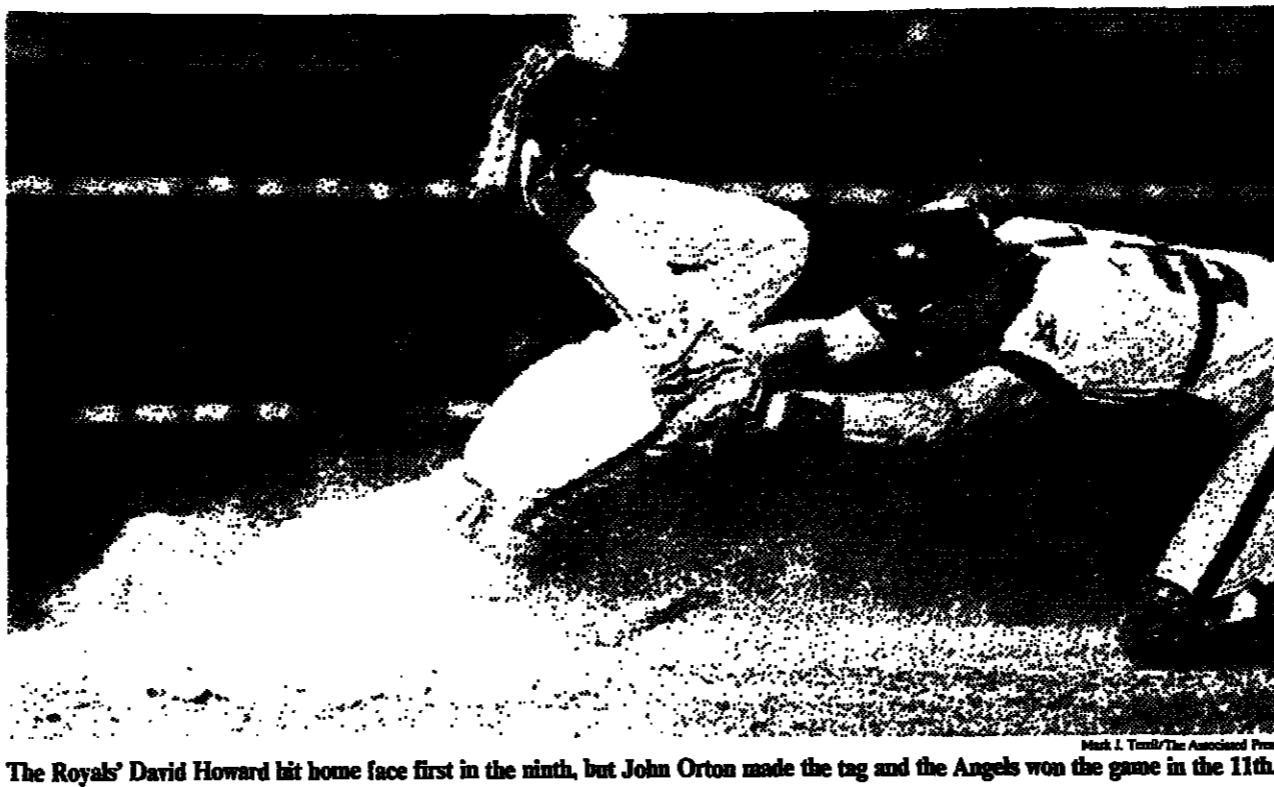
SPORTS BASEBALL

Johnson to Play '50-60 Games' For NBA Lakers

The Associated Press
INGLEWOOD, California — Magic Johnson, who retired last season from the Los Angeles Lakers after learning he has the HIV virus that causes AIDS, said Tuesday he is returning to the National Basketball Association team as a player on a limited schedule.

Springboks Fly Into Paris And Dispute

The Associated Press
PARIS — Racial controversy flared Tuesday as South Africa's rugby team flew into Paris for its first overseas tour since a 1981 trip to New Zealand was beset by anti-apartheid protests.



The Royals' David Howard hit home face first in the ninth, but John Orton made the tag and the Angels won the game in the 11th.

Dolphins Sign Chiefs' Krieg Blitzes Raiders

United Press International
KANSAS CITY, Missouri — Dave Krieg has given the Kansas City Chiefs of the National Football League a weapon they haven't had since the days of Len Dawson: a quarterback who can run.

And They Call the Game Football

The Associated Press
SEATTLE — A University of Washington student has had her right eyeball ruptured by a beer bottle thrown during a fight between football players and fraternity members, the police said.

Chiefs' Krieg Blitzes Raiders

United Press International
KANSAS CITY, Missouri — Dave Krieg's first touchdown run since 1987, but he followed it with a 7-yard TD run off a quarterback draw early in the fourth quarter to put the Chiefs ahead, 17-7.

Twins Bow Out, Giving A's Title

The Associated Press
Long before Chili Davis struck out to officially end Minnesota's last hope at repeating as World Series champions, the Twins knew the season was lost.

BASEBALL ROUNDUP

The AL East Race
Toronto W L Pct. GB
Milwaukee W L Pct. GB
The Twins became the latest in a growing list of World Series winners who have failed to repeat, the last back-to-back champions having been the New York Yankees in 1977 and '78.

SIDELINES

Lineup Changes For Davis Cup
LONDON (AFP) — Russia will most likely replace the Commonwealth of Independent States and Cuba will take Yugoslavia's place in next year's World Group of the Davis Cup, International Tennis Federation said Tuesday.

SCOREBOARD

Table containing Major League Standings and National League Standings. Columns include team names, wins, losses, percentages, and games behind.

FOOTBALL

Table containing NFL Standings. Columns include team names, wins, losses, percentages, and games behind.

NATIONAL CONFERENCE

Table containing National Football League conference standings for AFC and NFC.

TRANSACTIONS

Table listing player transactions between teams, including trades and signings.

Le Train Bleu advertisement: Un voyage féérique pour l'œil après 3 mois de travaux. Réouverture le 1er octobre.

DA MEO PATACCA advertisement: Trattoria. Trattoria in the heart of the Hague.

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ANDROUET advertisement: Delicieux cuisine and discovery more than 200 varieties of cheeses.

LA TAVERNE KRONENBOURG advertisement: Somptueux plats of seafood, grill and all of the specialties of the Alsace region.

KERVANSARAY advertisement: Turkish & Levantine specialties. Best seafood restaurant in Paris.

AT&T USADirect advertisement: Get your point across in no time. Includes a large graphic of a globe and the AT&T logo.

OBSERVER

A Political Promotion

By Russell Baker
NEW YORK: Interview with a saps...
Question: Is it true, sir, that you, a saps, have been watching the campaign closely even though you live outside the white-hot center of all wisdom, also known as Inside-The-Beltway?

Philistines Weren't Philistines After All

By John Noble Wilford
New York Times Service

NEW YORK — After all these centuries of calamity, the Philistines are finally having some good things said about them. They were not, it seems, deserving of that withering epithet: Philistine.

They were the creators of fine pottery and architecture and cosmopolitan devotees of the grape.



The New York Times

Two Israeli archaeologists, Trude Dothan and Moshe Dothan of Hebrew University in Jerusalem, say that their 30 years of investigations has emerged a picture of the Philistines as great traders, master builders and one of the most civilized peoples of their time.

In their book "People of the Sea," being published next month by Macmillan, the Dothans write: "As the complexity of Philistine culture has become evident, so has the vital role that the Philistines played in the cultural and political development of the region throughout the biblical period. At the same time, our search for the Philistines has shed new light on a unique period of interaction between the cultures of the Aegean and the Near East."

Indeed, scholars think the new findings may have solved the mystery of the Philistines' origins. They were among the enigmatic Sea People who arrived in the Levant in the 12th century B. C., as recorded in Egyptian accounts, and settled between the Israelite tribes to the east and the Egyptian empire to the south. They supplied the Canaanites in cities like Ashkelon, Ashdod, Ekron, and Gaza. But where had they come from?

Excavations at several of these Philistine cities have revealed that their red-and-black ceramics bear a striking resemblance to the styles of the Mycenaean Greeks. This was not imported pottery, because analysis shows that it was made with local clays. Also, loom weights found at Philistine sites are similar to those dug up at Mycenaean and other Greek sites by the 19th-century archaeologist Heinrich Schliemann.

Other important clues are the brick cooking hearths uncovered in the ruins of Ekron by Trude Dothan and Seymour Gitin, director of the Allbright Institute of Archaeological Research in Jerusalem. The hearth had not been common in Canaan, the archaeologists pointed out, but had a central place in the palaces of the Aegean world.

"More than an architectural element," the Dothans note in their book, the hearth "represented a tradition that reflected the social structure and habits of everyday life" for the Aegean peoples.

Some circumstantial evidence also raises intriguing possibilities. The Greek

epics are filled with tales of heroes wandering the eastern Mediterranean in the years after the Trojan war, usually dated at 1183 B. C. — not long before the appearance of the Philistines on the coast of Canaan. In Homer's "Odyssey," the Greeks are frequently described in places like Cyprus, Phoenicia, Egypt and Libya.

Not all the Greeks made it back home, and in some epics it is told that these refugees founded cities in the eastern Mediterranean. Stager said that plaques depicting scenes from the Odyssey were found in the ruins of Ashkelon; they were from the city's later Roman period, but indicated, he said, that the people "still recalled their Greek heritage hundreds of years later."

From the archaeological evidence, mainly the Greek-style pottery, Stager concluded last year in an article in Biblical Archaeology Review, "Throwing caution to the wind, I am willing to state flatly that the Sea Peoples, including the Philistines, were Mycenaean Greeks."

If some scholars have been slow to accept this interpretation, it may be because of a reluctance to identify the so-called barbaric Philistines of the Bible with the elevated Greeks. "Nor has our upbringing in the classics helped," Stager said in the article. "It has stubbornly hindered us from recognizing that the heroes of the Iliad and the Odyssey — the 'good guys' — just might be akin to the 'bad guys' — namely, the Sea People."

Apart from perhaps offering a solution to a mystery of ancient history, this new

view of the Philistines has implications for interpreting some familiar biblical stories.

Samson and Delilah, for example. In the Bible, Delilah is a kind of Philistine Mata Hari, sent to discover the secret of Samson's superhuman strength: his seven magical locks of hair. When his hair is shorn, he is weakened and "like any man."

Stager pointed out a Greek parallel. Scylla cut her father's hair while he slept, thus removing his invulnerability so that he could be captured by King Minos of Crete. For this reason, the Harvard archaeologist has suggested that the Samson story may have Greek origins through the Philistines and that Samson's tribe, Dan, might not have been Israelite originally but possibly of Greek origin.

Likewise, Goliath may have to be reconsidered. He was the Philistine giant who was slain with a slingshot by the young David in the 10th century B. C. The Greek influence on the Philistines may have been stronger, Stager said, because the Bible describes Goliath as going into the battle wearing bronze greaves on his legs. No Canaanite or Israelite soldier wore greaves, but Greek warriors did.

This new research does not clear up the other mystery about the Philistines: their ultimate fate. After Ashkelon and Ekron were destroyed by Nebuchadnezzar, King Agag and many of his subjects were sent into exile in Babylon. In 586 B. C., with the fall of Jerusalem, the Jews joined the Philistines in Babylonian exile. The Jews eventually returned to Palestine. But about the Philistines, nothing more is known.

PEOPLE

In Monaco, Scuffles And Wedding Rumors

Gilbert Tourne, a news photographer, got too close to Princess Stephanie of Monaco for his own good. He was thrown to the ground Tuesday by a bodyguard while staking out the princess's apartment in the principality amid rumors she was about to get married. Stephanie is expected to give birth next month and has said that she will probably marry the baby's father, Daniel Dierc, but on Tuesday, her lawyer issued a statement saying the princess "has not made any present wedding plans." Tourne filed theft, assault and battery charges.

Madonna, no stranger to marital problems and media gossip, has invited Princess Diana to move into her apartment in the United States to escape speculation that her marriage to Prince Charles is on the rocks. Madonna, who is divorced from the actor Sean Penn, says she can find places to live, attention. "I have what she doesn't. It's hideously realistic what this is about." Madonna says she is "the fact that she has public eyes. I mean I'm a woman already. I can't u... how this poor girl can take

After a number of fruitless maneuvers, Spike Lee has been forced to cut the videotape of the beating of Rodney G. King, from his upcoming "Malcolm X." George Holliday, an amateur photographer who taped the March 1991 beating, had accused him of copyright infringement.

The Netherlands Film Museum has found six silent films in its archives that are probably the only surviving prints of early works by Walt Disney. The short films belong to the Alice in Cartoonland series that Disney made between 1923 and 1927.

Rudolf Nureyev has attended rehearsals at the Paris Opera Garnier, where his new choreography for "La Bayadere" will launch the fall ballet season on Oct. 8. Nureyev quit as director of the Paris Opera Ballet in 1989 after a long dispute with Pierre Bergé, the president of the Opera, about the terms of his contract.

TODAY'S BUSINESS MESSAGE CENTER
Appears on Pages 18 & 19
The special heading INTERNATIONAL FRANCHISE OPPORTUNITIES appears on page 18

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